









# Bitter on U.S. Loan Aid, Israelis Weigh the 'Thanks but No Thanks' Response

By Clyde Haberman  
New York Times Service

**JERUSALEM**—Israeli government leaders have strongly suggested in a series of recent statements that they are ready to abandon their request for United States loan guarantees in the face of American demands that they stop building Jewish settlements in occupied territories.

"I would give up on the matter," said Mr. Sharon, who strengthened his political position last week as the governing Likud party picked its candidates for June parliamentary elections. "I would announce, 'Thank you very much,'" he told a group of high-school students on Friday, "and make a very big effort to raise these funds from other sources."

Prime Minister Yitzhak Shamir sounded a similar note with a warning that Israel would not allow Washington to tell it what to do, either in this case or in the Middle East peace talks, which ended another inconclusive round in Washington last week.

The Israeli government's mistrust of Mr. Baker has deepened in the last few days. It follows press reports—denied by Mr. Baker's office—that he discussed with senators the possibility of cutting Israel's regular economic aid of \$1.2 billion a year if it does not freeze settlements, and that he used a vulgar Anglo-Saxon verb in talking about American Jews with Bush campaign advisers.

Another newspaper, Ma'ariv, said in an editorial that whether or not the Koch report was accurate, "those who claim that the man cannot serve as an honest broker in the Israeli-Arab conflict will use this as proof."

Senior officials accuse Mr. Baker of interfering in their domestic politics. They charge him with seeking to create a climate that would enhance the opposition Labor Party's chances for electoral victory in June.

## U.S. Protectionists

Prime Minister Brian Mulroney says that the U.S. trade protectionists are not to be completed this year.

## Plot Late, Lawyer's

The lawyer for John Gotti says that Mr. Gotti was one of the last to see Paul Castellano, a Mafia godfather, in the days before the assassination.

## Paintings Found

Police have recovered four oil paintings that were stolen from the Lower East Side in 1972. Officials said all were by the same artist.

## China Signs the Nuclear Nonproliferation Treaty in London

**LONDON**—China formally acceded to the Nuclear Nonproliferation Treaty on Monday and pledged to help prevent the spread of nuclear arms and work for nuclear disarmament.



STANDING TALL IN SENEGAL—General Colin L. Powell, U.S. chief of staff, right, reviewing Senegalese troops on Monday during a two-day visit. He was accompanied by General Mansour Sekou. The troops fought with allied forces in the Gulf.

## Colombia's Leftist Rebels Grow Bolder

Casualty Toll Grows as Rightist Death Squads Retaliate Against Civilians

**BARRANCABERMEJA**, Colombia—When Marxist guerrillas recently carried out their most spectacular attack in this petroleum refining center, blowing up three main oil pipelines, human rights campaigners and union leaders predicted the kind of retaliation that would follow.

The center of Colombia's oil and gold industries, and the epicenter of the nation's rising tide of political violence, Barrancabermeja has recently been the scene of a series of bombings, killings and retaliations, rooted in decades of conflict, demonstrates the difficulties in reaching a negotiated settlement to Colombia's guerrilla war, the longest in South America.

Opposition parties appeared headed for victory in three of Colombia's four biggest cities on Sunday following municipal elections marred by scattered violence and low turnout. Reuters reported from Bogotá.

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# 'Super Tuesday' May Settle Very Little

By Paul F. Horvitz  
International Herald Tribune

WASHINGTON — Like New Hampshire, the Southern-dominated primaries on "Super Tuesday" are often pivotal in the race for a presidential nomination. New Hampshire offers media splash and "Super Tuesday," with its 11 primaries and caucuses, the delegate harvest.

This Tuesday, however, the balloting may settle very little in an unusually volatile and unpredictable election year.

President George Bush is expected to win all the Republican primaries, but his conservative challenger, Patrick J. Buchanan, is already talking loudly about carrying his campaign to a "showdown" in

Michigan on March 17 and beyond. Mr. Bush said Monday that he expected to have "a good day" on Tuesday and asserted that he had been defeating Mr. Buchanan by nearly 40 percentage points in primaries so far.

"That used to be considered a landslide," he remarked.

On the Democratic side, Governor Bill Clinton of Arkansas may not achieve the strongest possible momentum because it has been widely expected for months that Super Tuesday will be his big day. He is all but assured of victories in Louisiana, Mississippi, Tennessee, Oklahoma and Texas — largely because he has attracted a multiracial following of blacks, Hispanic vot-

ers and middle-class whites. Mr. Tsongas is not even on the ballot in Oklahoma.

The Arkansas governor also should do well in the Hawaii and Missouri caucuses, although support in Missouri for an uncommitted slate may materialize.

Together, these states have more than 500 delegates to the party's national convention up for grabs, and Texas alone has 196 delegates.

Mr. Clinton's major rival, former Senator Paul E. Tsongas, will handily win his home state of Massachusetts and appears strong in Rhode Island. These states account for 116 delegates.

Florida, because it is demographically more diverse than the rest of the South, is where Mr.

Tsongas hopes to attract enough upscale voters to break a possible Clinton sweep in the region. Florida has 148 delegates, the second-largest prize on Super Tuesday.

The all-important game of perceptions is already being played to the fullest among the Democrats. Mr. Tsongas has conceded that the South is Mr. Clinton's territory, and he is playing down his chances in Florida.

A victory for Mr. Tsongas there or stronger-than-expected showings could dampen the cheering from the Clinton camp, just as Mr. Buchanan's 37 percent showing in New Hampshire against Mr. Bush's 53 percent catapulted the challenger forward.

The withdrawal Monday of Senator Tom Harkin of Iowa could prove important for Mr. Clinton, who appears to stand the best chance of picking up Harkin supporters.

Mr. Harkin did not endorse any candidate when he withdrew from the race. But he added, "I will pay any price, bear any burden, learn to speak Greek, develop a Southern accent, or learn to wear a turban to assure that a Democrat is elected president in 1992."

The third remaining Democratic candidate, former Governor Edmund G. (Jerry) Brown Jr. of California, who favors turtleneck shirts, also is making a strong pitch for the labor vote. Mr. Brown won a relatively insignificant victory Sunday in the Nevada caucuses, in part with union support from Las Vegas. Only about 1,350 Democrats participated.

In Nevada, the vote was:  
Brown ..... 35 percent  
Clinton ..... 26.5 percent  
Tsongas ..... 20 percent  
Uncommitted ..... 17.5 percent  
Harkin ..... 1 percent



THINGS ARE LOOKING DOWN — Prime Minister Kiichi Miyazawa of Japan, left, and Vice President Shin Kanemaru of the governing Liberal Democratic Party during a meeting Monday of party leaders to review a loss in a by-election. Some analysts predicted that the defeat, along with other recent setbacks, might force Mr. Miyazawa to resign ahead of national elections in July.

## Overseas Democrats Back Tsongas

WASHINGTON — Democrats in 22 nations overseas on Monday night gave Paul E. Tsongas a modest endorsement as they began choosing delegates to the party's August convention.

With 18 of the 22 countries reporting, Mr. Tsongas, a former Massachusetts senator, won 36.8 percent in a nonbinding straw poll, to 26.6 percent for Governor Bill Clinton of Arkansas and 12.2 percent for the former California governor Edmund G. (Jerry) Brown Jr. Senator Tom Harkin of Iowa got 6.9 percent of the 3,500 to 4,000 votes, many of which were cast before he announced his withdrawal on Monday, and 17.5 percent wrote in other candidates or were undecided.

[In Paris, a straw poll gave Mr. Tsongas 37 percent, Mr. Clinton 27 percent, Mr. Brown 20 percent and others 16 percent. On delegates for the regional caucus in Brussels on April 25 and 26: 7 uncommitted, 4 for Mr. Tsongas and 3 for Mr. Brown.]

The result was not much of a surprise, because many Democrats abroad fit the higher socioeconomic profile to which Mr. Tsongas appeals.

Overseas Democrats have very little say in the choosing of the nominee. They get only 9 of the 4,288 votes at the convention, despite the fact that there are an estimated 3 million American civilians of voting age living abroad.

None of the candidates sent a spokesman here, but each got a reception that somehow mirrored the personalities they have presented on the campaign trail. Mr. Tsongas sent a warmhearted letter that closed with a plea for contributions. Mr. Clinton's letter was longer and grander, speaking of "a new era" and "a new vision."

Mr. Brown didn't write, but a middle-aged woman in a floppy brown hat offered a few words of support. "Now let me fill you in on some facts about what happened at Three Mile Island," she began.

## ASIA: Weaponry Fever Spreading Throughout Asia as It Ebbs in Europe

(Continued from page 1)

Philippine government wants more naval vessels.

The booming sales are attributed by regional experts to various factors, including:

- Fears of instability in China, North Korea and Burma that could spill over into neighboring territory.
- Declining prices for advanced weapons and a plentiful supply of surplus European arms.
- Insular decision-making of some governments under direct or *de facto* control by military leaders bent on enhancing their own power.
- Local anxieties about a "power vacuum" created by U.S. troop reductions in South Korea and Japan — fierce economic competitors with a history of poor relations — plus the withdrawal of U.S. forces from the Philippines.
- "No country in Southeast Asia is overjoyed with the reduction in U.S. presence," Defense

Minister Yeo Ning Hong of Singapore told the conference. "None of them has declared a peace dividend. No one has reduced its defense expenditure."

Like many other officials in Southeast Asia, he forecast renewed assertiveness by Japan in the region, either in response to North Korea's military buildup or as part of a modern-day effort to "safeguard its trade routes" beyond the post-World War II policy of limiting military operations to 1,000 nautical miles (1,600 kilometers) south of Tokyo.

Although Japanese officials deny such plans, he said he and others from less powerful Asian countries worry that "the Chinese and the Koreans, who have not forgotten the past atrocities inflicted on their people," will be provoked "to build up their respective armed forces to counter and contain any Japanese rearmament."

These three nations would then dominate all others, he said.

Assistant Secretary of Defense James R. Lil-

ley responded in a speech here by offering assurances that Washington would keep "modest but capable" forces in the region "as a means of promoting our hopes for democracy, human rights, and economic opportunities."

But Singapore, which already has one of the region's most advanced military forces, nonetheless plans a 5 percent to 6 percent increase in defense spending annually for at least the next five years, officials say. A similar jump in defense spending is planned in Malaysia. Thailand, which has been ruled since February 1991 by a military junta, is in the midst of "the largest arms procurement program in the kingdom's history," according to M.R. Sukhumbhand Paribatra, director of the Institute of Security and International Studies in Thailand.

U.S. officials say they have not proposed any concrete action to stem the arms buildup, which does not involve weapons of mass destruction — such as ballistic missiles or nuclear and chemical technology — against which Washington is now campaigning worldwide.

## POLITICS: Economic Heresies From Leading Democratic Contenders

(Continued from page 1)

ed," Mr. Tsongas said. "Corporate America must survive, indeed thrive, if our Democratic social agenda is to have any hope of implementation."

Yet, differences between Mr. Clinton and Mr. Tsongas loom as large as the similarities, prompting a series of increasingly bitter attacks between the two as they seek the party's nomination.

Mr. Clinton stresses education and training, or in the current lingo, investment in human capital. He wants to cut taxes on the "forgotten middle class" and raise taxes on the wealthy.

Mr. Tsongas emphasizes investment in physical capital: factories and equipment. He said that the working person needed work and that he wanted to create jobs by providing tax incentives for business, relaxing antitrust oversight and corporate reporting requirements, and implementing an industrial policy in which the government would aid certain industries and technologies.

While Mr. Clinton wants more government investment, Mr. Tsongas wants more private investment.

Mr. Clinton criticizes Mr. Tsongas as paying more attention to the needs of business than to the needs of working, middle-class individuals. Mr. Tsongas rejects Mr. Clinton's call for a

middle-class tax cut, sounding the no-nonsense theme of "I'm no Santa Claus."

Both candidates point accusing fingers at what they say is the legacy of the Reagan-Bush era: the rapid increase in the national debt, stiff competition from Japanese and German companies, the lackluster performance of American industry, and the declining fortunes of the American working class.

But they differ in focus and in their prescriptions for the ailing economy.

- Budget Deficit. Mr. Tsongas lambastes President George Bush for engaging in "happy talk" on the federal budget. He parodies Mr. Bush's 1988 pledge of "read my lips: no new taxes" and translates it as, "read my lips, add more debt."

Mr. Tsongas endorses the 1990 budget agreement, which attempts to cut deficits by \$500 billion over five years by restraining the growth in government spending and modestly increasing taxes.

Mr. Clinton would scrap the 1990 budget agreement and adopt a plan advocated by a Harvard University economics professor, Robert Reich, to divide the budget into three parts: debt service and bank failures; current services; and investments in the future. Mr. Clinton would limit the growth in spending on current services to the rate of increase in personal incomes, but he would double the investment

budget as a share of federal spending to 18 percent from 9 percent.

- Personal taxes. Mr. Clinton wants to cut income taxes on the middle class by 10 percent and offset that with higher taxes on households making more than \$200,000. He said the measure would stimulate the economy and make the richest Americans "pay their fair share."

Mr. Tsongas opposes middle-class tax cuts, which he said the nation cannot afford. But he favors increasing taxes for individuals who earn more than \$200,000. Mr. Tsongas would expand tax breaks for individual retirement accounts, or IRAs, to encourage saving.

- Business taxes. Mr. Clinton and Mr. Tsongas both favor targeted cuts in the capital gains tax.

Mr. Clinton would reduce by half the capital gains tax for profits from investments in new businesses held at least five years. Mr. Tsongas would cut the capital gains tax for profits from the sale of corporate stock held long-term, with the tax rate decreasing the longer the stock is held, up to 10 years.

- Other industrial policies. Both candidates see an active role for the government in setting industrial policy. Though labeled "conservative" by more liberal Democrats, neither candidate trusts the free market to funnel enough money into appropriate investments for the future.

## MARS: Futurist Sees 'Next Frontier' as a Place of Forests and Fields

(Continued from page 1)

intends as a speculation to what the world's appetite for colonization. Using a Commodore Amiga 3000 computer stored in a cool glass room on the second floor of his home, he has been generating three-dimensional photographs of a Mars covered in grains, forests, lakes and oceans. The software was created by Virtual Reality Laboratories of San Luis Obispo, California, and it contains accurate maps of Mars transmitted from recent unmanned probes.

Soon there will be a book, "one of the most ambitious books I've ever been involved in," Mr. Clarke says. The projected title is "The Snows of Olympus: A Garden on Mars." The author concedes that "it's really farming on Mars, although that doesn't sound quite so romantic."

Then he declares, with the spirit of a teenager, "It'll blow your mind."

After so many years on an Asian island in the Indian Ocean, the British-born, American-influenced author has acquired a stateside air. His accent fluctuates unpredictably between Yankee bluntness and English refinement. His dress belongs to conflicting worlds.

He came to Sri Lanka in the 1950s, he once said, for "rather complicated" reasons that included his interest in space. On the island the nights are full and dark. By day, just off the sparse coral beaches, he took up diving, and while flopping about in seawater he realized that "one could reproduce the feeling of weightlessness, which is, of course, one of the features of life in space."

Through a morning of conversation Mr. Clarke makes clear that despite his prolific catalogue of work covering a wide range of

fiction and nonfiction, "2001" remains the piece with which he has the most intense and complicated relationship. He cannot escape it, nor does he seem inclined to try.

From this distant outpost he looks over the world and sees many signs of what he and Mr. Kubrick forecast, especially "artificial intelligence."

"But even more so," he adds, "artificial stupidity, which is greater and vaster than I expected in some ways. But a lot of the simple things computers just can't do, things that we do, like recognizing each other."

Asked what, precisely, he thinks lies beyond the global village, he begins an answer, then pauses, stares out at the wall and finally waves the subject off. "Don't give me any profound questions," he says. "I'm just too stupid at the moment. I'm just too — I'm on Mars, anyway."

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## Munich Celebrates Its Sleek New Facility

The night of May 16 will be a long one for Willi Hermsen, August Lang, Manfred Steffen, some 500 truckers and 11,500 others.

Starting at 7 P.M. and concluding at 11 A.M. on the morning of May 17, detachable ramps, office calculators, forklifts and all of the other parts making up the movable inventory of one of the world's largest airports will make its way from outdated, overcrowded Munich-Riem and traverse the 42 kilometers (26 miles) to Munich's new airport.

"Actually, we have even less time than that," says Willi Hermsen calmly. "The first charter passengers will start flooding the terminals at 4 A.M.," he explains, "and our first landing will be at 5:05 A.M. Eight takeoffs will occur between 6 A.M. and 6:15 A.M."

Mr. Hermsen, a 30-year air traffic veteran, has been serving as managing director of FMG (Munich Airport Authority) since January 1991, presiding over the completion phase of the 8.5-billion-Deutsche-mark (\$5.3-billion) facility, 12 years in the making.

"We'll be there for the move," says August Lang, Bavaria's minister for economics and transport. For him and for another major force behind the project, Georg Freiherr von Waldenfels (FMG chairman as well as Bavaria's minister of finance), the "night watch" at the new airport is just one of a number of transport premieres scheduled for the year. Another leap upward in Bavaria's economic output, another East European political transmutation, another call on Mr. Lang's ministry to come up with new transport links.

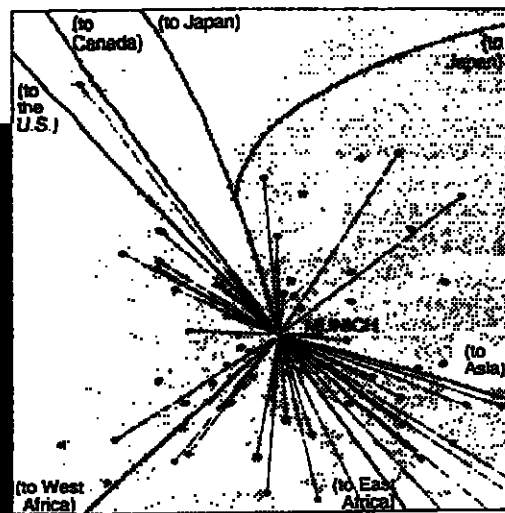
Although the plethora of this year's inaugurations (the commissioning of the Rhine-Main-Danube Canal in September, a range of rail and road openings throughout the year) might lead one to believe otherwise, the planning and realizing of major transport facilities is by no means a quick or easy process.

Ask Manfred Steffen, who has been head of planning at FMG since 1968. In fact, when he started in 1964, he was the entire planning department. The first proposal for a new airport in Munich had just been formulated. Over the last 24 years, Mr. Steffen's department has grown to 150 staff members. During the same period, as air traffic in Munich quadrupled to total 10.8 million passengers, the need for a new facility became more and more apparent.

The airport at Munich-Riem, opened to civilian traffic in 1939, was successively expanded and extended until it became a labyrinth of endless corridors and far-flung terminals. It was only thanks to heroic efforts by staff engineers and planners that Riem's single 2,800-meter (just over 9,000-foot) runway was able to accommodate nearly 200,000 airplanes a year, making it Germany's second-busiest airport.

For Munich's residents, Riem's disadvantages were obvious: frequent delays, noise and air pollution from circling and idling jets, no room for new planes and thus few direct connections between the city and foreign business centers.

For Bavaria's business community, which includes Europe's largest electronics and information technology sector, the answer to a clogged airport holding up just-in-



The opening of Munich's new airport on May 17 will be the culmination of almost 30 years of planning; preliminary assessments suggest the new facility was worth the wait.

A few months before his death in October 1988, Franz Josef Strauss, Bavaria's then-prime minister, went on one of his many political missions. This time, the flight was to Moscow, and the pilot was none other than Strauss himself.

Munich's new airport is named for Franz Josef Strauss, to honor both the architect of Bavaria's rise to economic and political prominence and the enthusiastic pilot who received his last flight authorization — for an ultra-fast Cessna Citation — at the age of 70.

time schedules was to truck their goods to Frankfurt and other airports, with an accompanying loss in time, money and mobility.

Although there was a broad consensus that a new airport was needed, no one could agree on where to put it — some 20 sites were surveyed over a six-year period. The final choice — a rural site some 28.5 kilometers

northeast of Munich — fulfilled the various "least" criteria: it was located in one of the least densely populated areas of this booming metropolis and would thus affect the fewest number of people and could be built to have the least possible environmental impact.

Work actually started on the 1,500 hectares (3,700 acres) of cargo buildings, control towers, terminals and runways on November 3, 1980. In March 1991, FMG's staff members moved into their new headquarters. On March 17, 1991, the airport recorded its first official takeoff: a Dornier Do 228 bearing one special passenger: Max Streibl, Bavaria's prime minister.

The final result of 29 years of planning and building is summed up by Mr. Lang: "It is," he says, referring to the light-filled, glass-and-steel terminal buildings, "a beautiful airport."

On the morning of May 17, FMG executives and staff members will take a few minutes to acknowledge congratulations on the appealing aesthetic qualities of the new airport and on the successful completion of civil aviation's "biggest moving day."



Willi Hermsen, managing director of FMG.

## For a New Generation of Air Travelers

In 1919, the first year the International Air Transport Association recorded air traffic statistics, some 6,000 people flew on commercial flights, with an average flight distance of 300 kilometers (162 miles).

In 1991, according to the International Civil Aviation Association (ICAO), some 1.12 billion passengers flew an incredible 1.8 trillion kilometers.

For most of the past seven decades, the designers and builders of airports and airplanes have been rushing to devise facilities and craft that could keep up with this insatiable demand for air travel. Air traffic growth and environmental impact, it seemed, were linked in an inexorable equation: more passengers meant bigger, noisier airplanes and bigger, ever-more-congested airports.

In old-style airports, passengers through a few central check-in counters, then are sent to wander

corridors toward security control and their boarding gates.

The sum total of these individual, intersecting, time-consuming "journeys" is an overfilled terminal.

Then, while such "Chapter Three" aircraft as the Airbus 320 and Boeing 767 were being put into operation, a new generation of airports in such places as Atlanta, Orlando and now Munich was completed, showing what adequate facilities and simple flow planning could do to drastically reduce crowds, delays and pollution.

The difference between the noise generated by a Chapter One (Boeing 707) and a high-level Chapter

Three (ICAO categories) aircraft is 60 decibels, or the difference between the sound of an automobile passing at close range and a whisper. Germany is well along in its mandated phasing out of Chapter One and Chapter Two aircraft; Munich's airport levies landing fees of up to three times higher on these noisemakers, which are banned from late-evening slots.

Munich's two new 4,000-meter (13,000-foot) runways also help do away with the noise of a landing aircraft's reverse thrust in order to land on a shorter runway, as well as helping to get rid of lines of taxiing planes, just as a divided highway facilitates the flow of car traffic.

Additional innovations at the new airport are a "ranch house" design, a row of check-through modules linked to a rapidly moving "passenger transport system." Passengers get to their aircraft, baggage claim area and public and private transportation in the shortest possible time, instead of milling about in seemingly endless terminal corridors.

It is likely, however, that no passenger will ever get to see the airport's most radical innovation. Beneath the facility and its surrounding green belt — which has been planted with over a million trees and bushes — is a state-of-the-art waste water and solid waste recycling facility.



# The only new international airport in Europe

On May 17, 1992, Europe's favourite city will become a hub located at the centre of this rapidly changing continent. Munich's new airport will accommodate an initial 14 million persons a year. Its passenger terminal features high-capacity transport systems, speeding passengers and their baggage

along their ways and assuring a minimum transfer time of 35 minutes. No long distances to cover: 50 metres from point of arrival at the terminal to boarding gates. Another convenience: some 10,000 spaces mean parking is never far away from your gate.



# A Belgrade Rally Does Little to Ease Milosevic's Grip

By Blaine Harden  
Washington Post Service

**BELGRADE** — An eye-catching placard bobbed above the flower-carrying crowd that assembled here Monday for a much-anticipated rally that demanded the resignation of Serbia's Socialist leader.

The placard showed a big black X across the face of President Slobodan Milosevic, whom Western powers see as the principal instigator of civil war in Yugoslavia. Above the X, a caption read: "Your Days Are Numbered. You Red Monster."

Yet, as the rally petered out quietly Monday afternoon, after drawing a smaller-than-expected crowd of about 35,000 well-behaved and mostly middle-aged Serbs, it became clear that the reign of the last old-style Communist strongman in Eastern Europe is far from over.

The rally coincided with the resumption of peace talks sponsored by the European Community in Brussels. Officials reported some progress.

Posters and speeches predicting Mr. Milosevic's imminent overthrow seemed to be based more on wishful thinking than political reality.

"This rally is not enough," said Alexander Rejdovic, 36, a demonstrator. "Milosevic is still too strong. He has the media in his hands."

Mr. Rejdovic said he volunteered last year for duty in a Serbian militia unit and fought to defend the Serbian minority in Croatia. But he

said he quit the militia in disgust in December after its ranks had been joined by Serbian "thieves and psychopaths" who robbed homes and bragged about killing civilians.

"This war was not a fight for Serbia or for Serbs," he said.

Mr. Milosevic, 51, who rose to power four years ago by melding nationalist passion with Communist muscle, led Serbia into war against Croatia last year with the rallying cry that all Serbs must live together in the same nation.

His impassioned defense of the 600,000 ethnic Serbian minority in Croatia dovetailed nicely, at the time, with his political problems.

A year ago Monday, Mr. Milosevic called upon club-wielding police and army tanks to disperse tens of thousands of Serbian protesters who assembled in Belgrade to denounce him as a Marxist and to demand his resignation. Two people were killed and 120 wounded.

Croatia's declaration of independence in June gave Mr. Milosevic a much-needed diversion.

But by last autumn, it became clear that Serbia and Mr. Milosevic were losing a public-relations war, both internationally and with the Serbian middle class. A college-educated demonstrator at the rally Monday summed up what seems to be a dominant assessment of the war:

"Nobody wanted it," said Milana Jovanovic, 30, who owns a shop that sells records and tapes. "Nobody here hates Croats the way the Belgrade media said we did."



A Serbian National Guardsman listening to the Serbian anthem at the Belgrade rally.

# Accused German Steps Down

## Politician Acknowledges Taking Part in '41 Executions

By Marc Fisher  
Washington Post Service

**BERLIN** — For Gustav Just, the fall of the Berlin Wall was a late but welcome liberation from 30 years on the margin of the Communist system he had dared to criticize. At 70, in the twilight of his days, he has risen to gratifying prominence: senior member of parliament in the new East German state of Brandenburg and co-author of the state's new constitution.

But history was not finished rewriting Mr. Just's life. On Monday, the files of East Germany's Stasi secret police served up another of the revelations that continue to rock Eastern Germany more than two years after communism's collapse. As a young soldier, Mr. Just, Stasi records show, took part in the execution of six Jews in a Ukrainian village in 1941.

Mr. Just admitted that he and other members of his company killed six people described by Ukrainian villagers as "Jewish terrorists." He contended Monday at an oddly subdued press conference that he was only obeying orders.

"I was a little soldier who had to follow orders," he said. "Of course no one was enthusiastic about having to do this. I still don't know to this day if they were Jews."

He said he would "give all my limbs" if he could undo what was done.

Earlier, he told a German newspaper that the shooting of the Jews was "all old hat."

He said he saw "no need for personal consequences" from news of his role in the executions.

Mr. Just resigned as chairman of the committee writing the new state constitution, but he said he was going to keep his seat in parliament for now. He said he would wait to see what his party, the Social Democrats, said about his future.

The Just affair is the latest in a series of scandals surrounding East German politicians. Two weeks ago, Gerhard Riege, a federal parliament member from Eastern Germany, committed suicide after revelations that he had been a Stasi informer.

Germany's ruling Christian Democratic Union said that Mr. Just should leave office, but the chairman of his own Social Democratic Party, Björn Engholm, said "this shouldn't be judged too quickly."

The head of Germany's small Jewish community, Heinz Galinski, accused Mr. Just of trying to cover up his crime and demanded his immediate resignation.

A source in the office responsible for maintaining the Stasi files said he expected that the Just case would be the first of many involving East Germans who managed to suppress their often-murderous roles in atrocities.

The extensive Stasi files are believed to contain the names of about 1.5 million war criminals and their victims, most of whom never had to face official judgment because of the East German government's insistence that it was the successor to the prewar anti-fascist opposition, while West Germany carried the full brunt of the Nazi legacy.

# ASSAULT: Armenian Militants Attack Missile Base

(Continued from page 1)

public's Communist Party chief from 1972 to 1985, told journalists that he was prepared to stay in Georgia "for as long as the people want me."

Georgia's new leaders accused Mr. Gamsakhurdia's followers of responsibility for the Zugdidi bombing. Sporadic demonstrations in support of the former president, the first elected leader in Georgian

history, have been continuing for the past month.

Some teachers went on strike in St. Petersburg on Monday, while trolley drivers stayed off the job in Khabarovsk and miners in Russia's largest coalfield threatened to walk out because of rising prices. The Associated Press reported from Moscow.

So far, the labor unrest has not

done serious harm to the fragile economy. But if the miners went on strike, they could cripple factories already reeling from President Boris Yeltsin's market-oriented changes.

Teachers stayed away from work Monday at 27 of the 600 schools in St. Petersburg, the country's second-largest city. They are demanding higher wages, better working conditions and better funding for the schools. Russian television reported.

Miners in the Kuznetsk coal basin of western Siberia warned that they would stop work Wednesday unless a Russian government delegation arrived for talks, according to a television report.

In the far eastern city of Khabarovsk, a strike by bus drivers Monday snarled public transportation. The drivers demanded higher pay to compensate for the cost of food and other necessities, which has risen an average of more than 350 percent since Mr. Yeltsin freed most prices Jan. 2 and others Saturday.

# DOMINO: Have-Nots' Minuet

(Continued from page 1)

feeling of isolation will propel us toward our own capability."

Meanwhile the Germans, who find any nuclear uncertainty unmeriting, are promoting a high-profile anti-proliferation role for international institutions.

The Bush administration, which is eager for multilateral cooperation, is leery of reliance on the UN Security Council, where China, a primary source of nuclear know-how, has a veto.

France, always skeptical about the chances of regulating nuclear issues, backs the German view, partly because it fits President Francois Mitterrand's efforts to constrain what he fears could be an untrammeled leadership role for the United States, partly because it enhances the French role as a permanent member of the Security Council.

The Bonn government wants U.S. troops to remain in Europe, but it does little to combat strong German public hostility to U.S. nuclear warheads. It vociferously condemns proliferation, but it insists that the nuclear powers should not start dismantling the Soviet arsenal until Germany is assigned a role.

This policy array "points to a long-run vision," a French official said, "ultimately putting nuclear weapons under an international authority, where Germany would have as much say as any other nation."

—JOSEPH FITCHETT

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# NUCLEAR: A Few Strategists Think Security May Lie in Proliferation of Weapons

(Continued from page 1)

avoid "officializing" the nuclear status of India and Pakistan — or Israel — and creating a precedent.

Elsewhere, as political tensions subside amid greater democracy, international pressure has sometimes rolled back proliferation.

Last year, Brazil and Argentina vowed to end their clandestine nuclear arms race. South Africa's nuclear program, after strong Israeli help in the 1980s, has been reined in.

But Pretoria shows no sign of divesting itself of nuclear material that could give hard-liners a weapon of last resort, and Israel is cool to U.S. proposals for freezing its nuclear program in exchange for a ban on Arab missiles.

The West is close to a showdown with North Korea over its nuclear ambitions, probably this year, officials say, warning that such a showdown may escalate into a world crisis.

In Europe, if Ukraine finally decides to

keep nuclear weapons to balance Russia's, a covert arms race with Poland is liable to result, and that would pose a nuclear challenge to the European Community.

If proliferation prevails, the danger is that events may outrun the learning curve needed to move from bipolar deterrence to global deterrence. Worse, the Cold War model may be impossible to replicate.

Nuclear weapons were the centerpiece of security policy in the United States and the Soviet Union, and their arms race developed an elaborate code of nuclear signaling that in many ways resembled a long-married couple's relationship: hard for outsiders to understand but effective in stopping short of disaster.

"Subtle communications were well understood, thresholds recognized and respected, provocative behavior minimized if not avoided," a recent Pentagon study concluded.

For this question — will nuclear weapons

The outlook is drastically different in such proliferating zones as the Middle East, South Asia and the Korean Peninsula, where conflicts tend to become a fight for national survival, with scant room for long-term accommodation.

Hair-trigger reflexes would raise the risks in nuclear arms races in developing countries. Antagonists often share borders, so a leader in a tense confrontation — fearing that his nuclear bases might be overrun and lacking satellite intelligence about his foe's position — might be impelled to strike a nuclear blow.

Such a leader's own country would be doomed to annihilation because his weapons would be too inaccurate to destroy the enemy's nuclear arsenal. But leaders might be ready to take a chance on "going down with the country" rather than accept defeat and personal doom.

(Tomorrow: Defense against nuclear weapons.)

impose deterrence in a disordered new world? — clues are being sought in the failure of Saddam Hussein of Iraq to unleash chemical weapons amid defeat in the Gulf War.

There have been hints that the Bush administration secretly warned Baghdad of U.S. nuclear retaliation against a chemical attack.

But Western officials say that whatever Mr. Saddam's reasoning, it is impossible to extrapolate from the Iraqi case a nuclear contingency involving weapons that might reach Israel. Iraq possessed only short-range chemical weapons that could not change the war's outcome.

If Iraq had had the bomb, a French official said, "given Saddam's record of wild gambles, I don't think that any threat would have deterred him."

(Tomorrow: Defense against nuclear weapons.)

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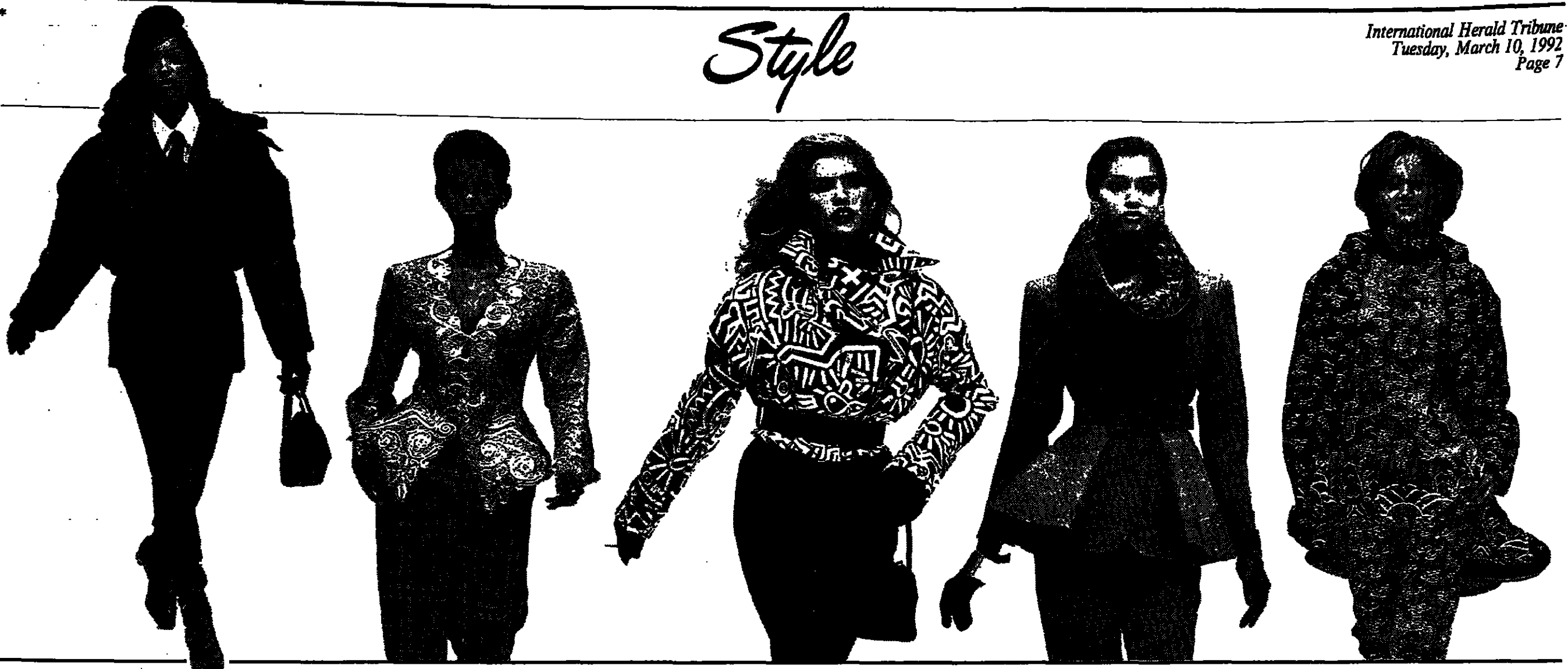
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Style



Dolce e Gabbana's pinstripe suit; Ferré's tartan trousers with gold-lace jacket; Dolce e Gabbana's narrow pants with graffiti-print jacket; Ferré's flannel tunic over skinny pants; Chinese pajama suit by Valentino for his Oliver line.

What's New in Skirt Lengths? Well, It's Trousers for Now

By Suzy Menkes International Herald Tribune

MILAN — This is a great season for pants. If you don't see yourself in trousers for fall you might as well leave town, for the long skirt alternative so far is a flop.

Trousers are part of modern women's lives, but they have not been hot fashion items since the 1970s. Back then, changing hemlines were also an issue — but so was feminism, and

MILAN FASHION

saying no to skirts was making a statement. How will women feel now about pants?

"They are not a statement anymore," said Macy's Elin Saltzman, flying her skirt thigh high. "And if there is going to be a hemline controversy, pants are great for women."

"We are selling two surprising things very well this spring — pants and the long skirts," said Bloomingdale's Kalman Rutenfranz. "I feel great about pants — I think they are modern and a great way to go to work," said Rose Marie Bravo, chief executive officer of I. Magnin. She was wearing a trim black pantsuit by Gianfranco Ferré, whose collection Sunday she raved over.

It was a fine moment for Ferré. He has always been keen on skinny pants on those bean-pole women whose legs seem to end at the armpit. This season the pants looked striking and sexy in gray flannel, or when a flamboyant finale brought a dozen pairs of Oriental-print jeans worn with Goldfinger sweaters.

The collection was sleek, streamlined and luxurious and it showed Ferré, whose clothes had become very fancy, right back in form. Yet

there was nothing much new. In fact, Ferré's color palette of gray flannel, milk-chocolate-brown leather, black, white and lacquer red was predictable and so were most of the clothes: the signature white blouses with pleated effect; a suit silhouette of elongated jacket and short slim skirts; a flirtation with chinoiserie; details of fur cuffs and lion's head buttons. There is a fine line between a designer hallmark and a cliché, but in this well-thought-out show familiarity bred content.

The show started with a gamut of gray pants under hip-length jackets whooshed into a belt at the front, or under maxi-length coats, which were a strong theme. Silver fox tipped the inside of a cowl neck, but as a measure of Ferré's new simplicity, he also sent out swirly fake-fur jackets.

EASY sportswear looks made over in a glamorous fashion included jackets slung over like sweaters over glossy leather pants, and fine wool trouser suits with gilded shoes and fringed shawl. The plain black sweater, worn with a skinny gold evening skirt, was an elegant way to dress at night.

For Ferré, as everyone else, skirt lengths are a problem. He sent out slim, mid-calf scarlet skirts, narrow at the hips, split at the front, worn with shiny patent-leather shoes and waist-cinching belts, below black sweaters. They looked dramatic, but not effortlessly elegant. A mid-calf cheongsam dress was plain dowdy, whereas black dinner suits or simple white dresses falling to ankle length had a classic dignity. Chinese prints reminiscent of Hermès and Versace were a mistake, but the best of the chinoiserie theme enriched Ferré's spare, modern silhouette.

Dolce e Gabbana are on a roll. The Sicilian designers, who became known for hot-stuff corsets, had the wisdom and the courage to throw out all but a handful of their hook and eye bodices.

Behind the label are Domenico Dolce and Stefano Gabbana and they were the star turn of the early shows. Their collection was filled with pantsuits cut for modern women who have no wish to straighten out the female form. Jackets were pin-striped, double-breasted but drawn to the contours of the body and decorated with witty touches like mirror embroidery or gilded top-stitching. Pants were slim-line, which makes the 1990s trouser suit look new.

Dolce e Gabbana also came up with a good long skirt: tight at the hips, split at the side and flashed with red inside. The secret was in the length, which was below the awkward mid-calf. In a seasonal way, the skirt worked.

This was a collection sparkling with ideas. Dolce e Gabbana had taken a travel-trip theme, which makes a fashion editor's heart sink. But apart from a brief stop in Hong Kong with cheap-looking magic dragon embroideries, the ideas were witty. From Sicily came straw baskets decorated with pom-poms that made charming accessories; from Louis XIV's France, there were Sun King medallions and prints; a lively New York section meant graffiti-patterned jackets and pants inspired by the late American artist Keith Haring.

All these ideas departed from a base of incisive modern cutting, so that a Marie Antoinette print or a patchwork of discreet menswear fabrics would come on a shapely jacket. Sporty anoraks and parkas were also re-cut on curvy, feminine lines and given a touch of decoration.

Sex is never far from Dolce e Gabbana's message and by the time the show reached

Berlin, the corset tops came out — but they were still worn with pin-striped pants and suspenders or a blazer jacket. With the follies and frolics under control, this was a provocative and polished show.

VALENTINO shows his main line in Paris, but the designer — deeply tanned from skiing in Gstaad — was in town to take a bow for his secondary Oliver line. This is a lively young label, but it seemed out of sync this season. An eye-popping combination of pony-skin patterns with plaids might have looked better when mixing prints was all the rage; the Chinese-inspired pajama suits and prints were out of last year's fashionable ethnic melting pot.

While the trend for skirts is downward, Oliver's stood out — short skirts sculpted over underskirts, although there was a sleek fringed blanket-wrap skirt that stopped at mid calf. Pants too were often wide, occasionally cropped as culottes, which was a more comfortable proportion. Individually there were outfits to pick — a belted trench coat or a simple camel coat. But the general effect was of clothes making a loud statement about nothing very much.

Byblos offered a quick fix of what is happening in fashion, since designers Keith Varty and Alan Cleaver pick up on trends, rather than starting them. The show was big on slim high-waisted pants, which came either, Spanish style, with a cropped jacket and ruffled blouse, or with a three-quarter coat.

Returning to their British roots, the designers also drew a Swinging London silhouette, reviving the waisted jacket with flaring skirt (but with slim pants rather than flares) and Cuban-heeled ankle-boots — a Milan trend. As ivory trouser suits or in sugared almond pastels from head-to-toe, the pants looked right.

Byblos also traveled the 1970s for things to brighten up long hemlines: leggy shorts under maxi-coats; or mid-calf skirts slit at front or back.

Ferragamo played it both ways. Legs were on parade under brief princess-line coats, or encased in leggings that were worn with jackets or the scarf-print parkas that are all the fashion rage. Blanket-checked tailoring was good, clean-cut stuff. Then, halfway through, the show changed tack, and skirts kept growing downward: first over-the-knee straight skirts under bright blazers; then tubes of black jersey with fans of pleats from knee to calf; finally an

ankle-skimming sheath under a big black shearing tunic.

There were a few mouth-watering colors and a lot of fine quality skins and cloth. But the show left the impression that it is just a publicity motor that drives the big envelope bags, the thick silken scarves and Ferragamo's imitable high fashion shoes.

A major retrospective of Salvatore Ferragamo's work opens at the Los Angeles County Museum in April.

The dilemma facing women next winter was demonstrated by Jill Sander, the German designer who presents her quality tailoring in Milan. Not all the flickering candles in an ancient Italian castle could lend romance to her stern suits with skirts swooping at that killer length just over the knee. They made Sander's dead plain pantsuit look positively skittish. She cuts a fine winter coat in sober colors from camel through khaki and brown.

The problem for recession-hit high fashion is that, faced with the choice between a drab long skirt and investing in a plain tailored pantsuit, a wise woman might decide to wait and see. Milan's passion for pants looks less like a genuine fashion conviction and more like that waiting game.

STYLE MAKERS

In Hollywood, Lunch Is a Statement

LOS ANGELES — Soon after a studio production head had turned down a director's pet project, he spotted the filmmaker across a crowded restaurant here and invited him to lunch.

"How can I, when you squelched a picture that lost me millions?" asked the director. "That's business," replied the production head. "Now let's have lunch."

So goes the story. And, whatever the details, in Hollywood it is recognized that the dialectics of dining are complex indeed. For those who double-book their breakfasts and also conduct business over lunch, "drinks" and dinner, an expanding waistline is an occupational hazard.

That may explain why nobody in the entertainment industry ever orders anything that they might actually enjoy; it's raw vegetables, grilled fish — and no martinis — for this crowd.

One running gag in Robert Altman's upcoming inside-Hollywood thriller, "The Player," has production president Griffin Mill (Tim Robbins) ordering a different brand of bottled water at every meal. "The message," says a real production executive, David Madden of Interscope, "is, 'I'm a lean, mean machine and this is how I do business.'"

SHARING a meal, explains the former Columbia chairman Frank Price, is one way to keep things civilized in an otherwise cut-throat business. "It goes back to primitive times, when you'd have the group feeding around the animal they've caught," said Price.

For studio production executives and independent producers vying for first crack at a script or agency package, developing relationships over meals is a matter of survival.

Breakfast is the speediest, least significant meal of the day. Development executives can wolf down their granola and fruit at Sunset Boulevard's Bel Air, Bel Age or Beverly Hills hotels while writers pitch their hearts out, then grab the check and rush to the office.

Those who book breakfast any earlier than 8 A.M. are assumed to be obsessive, Disney employees, or both. And while it's usually accept-



Illustration: Andy/BIT

able to return a few phone calls in person while waiting for a date to arrive, morning lateness is a no-no.

At the more leisurely lunch, it's normal to arrive 15 minutes late (more than 20 is rude), because the last to arrive gains the most status. But it's not a good idea to keep someone important waiting.

At a recent lunch at the Rotunda, where "Team Disney," the top executives, hang out, a reporter arrived five minutes past the appointed hour. Jeffrey Katzenberg, the studio chairman, was in a darkened corner talking on the telephone. Only after the reporter was seated, openly waiting for him under the bright lights, did Katzenberg take his place at the table.

One mealtime hazard, in a world of mayfly existences, is identifying your party. Dan Lupovitz, the producer, tells this story on himself: He once arranged a lunch date with "Richard," a studio production executive he had never met before and whose last name escapes him to this day. They were to book up at Yanks in Beverly Hills. After a watchful 20 minutes at the bar, Lupovitz found a Richard, also at the bar,

waiting for a Dan. They agreed they were not the intended match. But what of the other Richard and Dan, who, oblivious, had been sharing a table for the better part of a half-hour?

While cancellations are commonplace, if it is a same-day "so sorry" it is de rigueur to telephone mea culpa personally. "Making lunch appointments is a lot like dating pretty girls in high school," said Mark Horowitz, the screenwriter. "They say they'll go out with you until a better offer comes along."

Due to the vast topography of Los Angeles, people of equal status try to meet halfway. No one likes to travel more than two miles from his or her base.

Most top-of-the-pyramid studio executives rule their own roosts, whether commissary or local restaurant. Beyond those heights of public privilege, there is the reverse spin of super-privacy. For example, Price found it convenient, during production on "The Prince of Tides," to meet with the exclusive Barbra Streisand in Columbia's private executive dining room. Back in New York in the '60s,

Spiros Skouras, Fox's chairman, would lunch in his private dining room and use the time to seek his personal chef's and waiter's opinions on the latest advertising materials for a film about to be released. (Eventually, Charles Einfeld, the Fox marketing chief, began checking with the chef and waiter first.)

TODAY, Thomas Pollock, MCA/Universal Features Group chairman, conducts the weekly marketing meeting as a conference room lunch.

When not lunching in, Pollock and his counterparts at other studios often dine at such high-visibility celebrity hangouts as Spago's and Morton's, where seating is crucial and the head of the Creative Artist Agency, need worry about where they'll be placed. (Owiz's table at Jimmy's is often left empty, just in case.)

Non-stars with expense accounts usually cultivate the maîtres d'hôtel at two or more select restaurants so they will have a proper spot as needed. "If someone walks in and sees you in the wrong room at the wrong table," says Jack Brodsky, the producer, "it's a blight on your escutcheon."

Indeed, an entrance at Morton's or the Polo Lounge is all about making a statement to the rest of the Hollywood hierarchy, if not the world. When Tri-Star chairman Mike Medavoy, a prominent Democrat, dined recently with Governor Bill Clinton, they did not use his private dining room. They went out.

Anne Thompson

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# Herald Tribune

Published With The New York Times and The Washington Post

## Do Business With Russia

How shortsighted can the United States get? The Soviet space program, once the best in the world and long a feared competitor, has put most of its products and many personnel up for sale. The offer comes when the West is seeking ways to prop up the disintegrating Russian economy and keep Russian scientists from selling their services to renegade nations. So what is the response of timorous federal officials? They are hanging back, worried that any purchases might keep alive the Russian defense industry. Their ingrained reluctance persists even though the Cold War is over and the chief threat in the former Soviet empire is disintegration, not military revival.

The Russian space program, although weak in electronics, leads in some technologies. It has the world's most powerful rocket, with an especially advanced first stage; the world's only operating space station; the world's only compact nuclear reactor for generating power in space; exquisite tiny plasma thrusters that are used to change the orbits of satellites; and other advanced hardware of potential value to space-faring nations. All that is backed by some of the most experienced and talented space scientists in the world.

Russian officials have been trying to peddle hardware and expertise for months. They have attracted interest from some U.S. defense officials and industrial companies. NASA is studying the feasibility of using the Soyuz spacecraft as a crew-rescue vehicle for its own space station and will examine, but not necessarily use, an automatic rendezvous and docking system that even NASA acknowledges is "elegant engineering."

But so far no significant deals have been

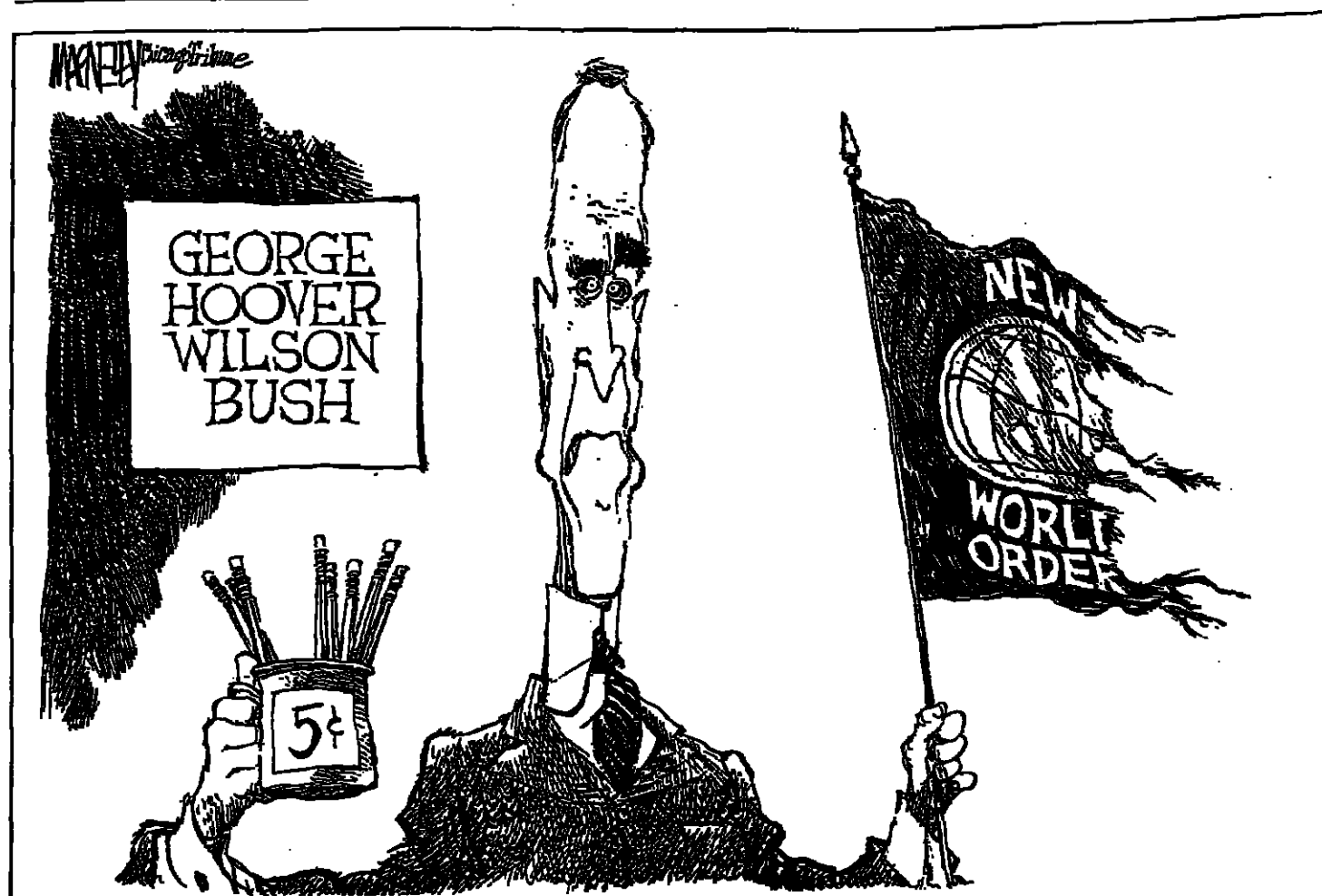
consummated. Key officials have blocked any purchases by refusing import licenses. Some officials express concern that many space technologies, like rockets, have potential military uses; they seek to force the Soviet military-industrial complex into a decline so steep that it will pose no future threat. Others want to protect the U.S. aerospace industry from competition at a time of recession and cutbacks. And some experts say NASA is reluctant to purchase any hardware or services that might reduce the need for its own programs.

The impasse is heightened by the Bush administration's failure to set forth a comprehensive strategy for dealing with the evolution of the former Soviet Union. As a result, Washington now risks missing a chance to buy technologies that could save the United States billions in development costs while saving the Russian economy and scientific establishment from disintegration.

Surely Russia's Energia rocket could carry America's space station aloft in far fewer flights than the space shuttle, and at far less cost. And perhaps other cheap, reliable Russian rockets could lift American payloads instead of the finicky shuttle. Russian space experts might well conduct assessments of American space projects, as they do already for Europeans.

The opportunities are not unlimited. Some Russian hardware is primitive, and there are always difficulties in blending one nation's technologies with another's. But this is a time for boldness. Just as the American space program profited mightily from the contributions of German scientists after World War II, so might it benefit from Russian contributions at the end of the Cold War.

—THE NEW YORK TIMES.



## When the Red Cross, Too, Failed to Help Enough

GENEVA — In 1951, a man calling himself Klaus Altman appeared at the International Committee of the Red Cross delegation in Geneva requesting a travel document for South America. He was one of the estimated 30 million people on the move in the turbulent aftermath of World War II.

Klaus Altman was carrying an exit visa (from Italy) and an entrance visa (for Bolivia), the basic requirements for a simple Red Cross travel document to make one journey. He had papers issued by the Allied Forces High Commission in Germany identifying him as a mechanic from Kromstadt.

It was only many years later that the Committee, like others, discovered after searches by Nazi hunters that Klaus Altman was none other than Klaus Barbie, the infamous "Butcher of Lyon," the Gestapo chief in Nazi-occupied France.

In a similar fashion, Josef Mengele (alias Helmut Gregor) in 1949 and Adolf Eichmann (alias Ricardo Klement) in 1950 escaped on Red Cross documents from Europe to South America. These men and their secret supporters took shameless advantage of a humanitarian service which benefited half a million people, mostly survivors of concentration camps and refugees from Eastern Europe.

The latter found themselves at the end of the war in foreign countries, with no passport or legal documents, wrenched from their homeland, separated from their families, stunned by Nazi cruelty. The ICRC, with the express agreement of governments, gave simple travel papers to those who wanted to return home or emigrate to a new life.

In 1951, the year Klaus Barbie escaped, the small Red Cross office in Geneva issued about a dozen such documents every working day. It was impos-

ible to verify the identity of each and every applicant. Would it have been right to deny help to hundreds of thousands of needy people because of a handful of war criminals? Did the Red Cross help the most notorious Nazis escape justice knowingly? Of course not. Yet these questions, once more in the public eye after the opening of Argentina's secret files on Nazi war criminals, challenge us again to look hard at our record in World War II.

They also force us to address a broader issue: Did the Red Cross deliberately remain silent in the face of the Holocaust, and if so, why?

This is more difficult to answer.

The ICRC has tried honestly to grapple with these troubling questions of the past. It has exceptionally opened confidential World War II records to independent historians, and has transmitted documents to judicial authorities to establish the facts and draw the right lessons.

Faced with a tragedy whose horror was beyond imagination, the Committee made many attempts to reach civilians who were devoid of protection under the international law of the time. It ran up against the systematic refusal of Adolf Hitler's regime to allow action to help the Jewish people.

Red Cross delegates, often working on their own initiative, saved many individual lives. Friedrich Born, in whose honor a tree was planted at the Yad

Vasem Holocaust memorial in Jerusalem, protected thousands of Jews in Budapest in 1944.

But Red Cross headquarters in Geneva failed to issue a public appeal denouncing the genocide.

Rightly or wrongly, the Committee was convinced that a public appeal would help nothing. It also believed that confidential negotiations with the German government were the only ones with a chance for success.

Finally, it was worried that its work of registering, transmitting family messages to and ensuring humane conditions for millions of allied prisoners of war in Germany would come to an abrupt halt if made a public outcry based on the sketchy reports at its disposal. It was a terrible moral dilemma, one which the Red Cross faces often in dealing with totalitarian regimes and scant information: Should one make moral compromises with what one suspects is great injustice in order to reach victims who have no other recourse?

In hindsight, the Committee could have done more. But in the end, the goal of the Red Cross was not to write a nice page of its own history, but to reach the greatest possible number of victims.

Our sincere efforts throughout the war to visit prisoners of war, trace names of deportees, transmit messages for people separated from their families and send food parcels seem insignificant today in the face of the horrifying scale of the "Final Solution." The Holocaust represents the greatest defeat in the 125-year history of our humanitarian mission. It is a burden we share with many others who could not fathom the unimaginable, for it marked the failure of an entire civilization.

International Herald Tribune.

## Progress in Bulgaria

It has become routine to hear Poland, Hungary and Czechoslovakia described as the promising three of the old Communist Eastern Europe, worthy now of Western solicitude. The other, more southerly states, lagging in democracy and an open economy, have largely been confined to a nether region of relative neglect. According to the State Department's Lawrence Eagleburger, this scheme is badly dated. "The best-kept secret" in Europe, he says, is that Bulgaria has overcome the legacy of communism and is overcoming the legacy of history.

Not only are democratization and steps toward a market economy proceeding apace, he meant, but traditional ethnic hatreds are yielding to reconciliation. "Amazing," was Deputy Secretary Eagleburger's summary of the changes of the last two years.

As recently as 1989, an unconstructed Soviet-style Socialist ruled Bulgaria, and ruled it miserably. No germ or hidden core of a future democracy was visible; ethnic Turks were being run across the border. But as the center in Moscow failed to hold, the periphery in Eastern Europe revived. Bulgarians found in themselves the capacity to embark in their quiet and incremental way on the transformation now coming into broad view. Huge tasks of economic revival remain to be

done, but a pluralistic political structure has been tested in two national elections. The American government now hails Bulgaria's rise from pariah to the preferred status of the promising three and — the crowning touch — certifies it for Western investment.

Its elevation leaves behind a burned out Yugoslavia, the special case of backward Albania, and Romania, which has made some democratic strides but hardly enough to confirm pluralism. Regarding Romania, the policy question for Washington is how to play the card of restoring most-favored-nation trade status; MFN, originally tied to a recipient's emigration policy, is now being stretched to cover its general democratization. Should the process of restoring most-favored status be started now, when the ruling National Salvation Front, stronghold of the Communist old guard, could claim the political credit? Or should it be extended after the spring general elections, the better to keep all parties up to the democratic mark? A further delay could help democracy in Romania. It could help more if the United States were to show, in respect to Bulgaria, that a country which reaches out bravely to join post-Communist Europe is rewarded for its pains.

—THE WASHINGTON POST.

## Congress and Abortion

Pro-choice advocates in America are understandably worried that the Supreme Court will soon overturn or narrow the 1973 Roe v. Wade decision protecting a woman's right to choose abortion. They and their congressional supporters are therefore moving to protect that right legislatively with a bill known as the Freedom of Choice Act. George Bush is already promising a veto.

President Bush is hostile to liberty on two fronts. He first attacks on the judicial front, appointing Supreme Court justices likely to be unsympathetic to safeguards that have existed for nearly 20 years. Those justices want to force women to fight politically for their liberty. But then Mr. Bush says that even if women muster a political majority in Congress, their bill "will not become law as long as I am president."

Very well, let Congress work its will, and let Mr. Bush work his. That would define the issue for the November elections regardless of how the Supreme Court decides. Such a political skirmish might help affirm that while nobody likes abortions, most people support the right to choose.

The bill says that states may not restrict that right at all before a fetus is viable. They may restrict the right after viability, but not when the woman's life or health is threatened. The administration argues that this goes well beyond Roe v. Wade.

The language may indeed need clarifying. Congress has clear power to secure this freedom by federal law. Section 5 of the 14th Amendment says that Congress may enforce due process and equal protection of rights with appropriate legislation. The power to regulate interstate commerce is another strong basis; a court decision giving individual states the power to decide — meaning that a woman's rights are defined by where she lives — could impose excessive burdens on states that provide abortions.

The only shadow on Congress's power comes from some of the newer Supreme Court justices and the Justice Department; both have questioned rulings by the Warren and Burger courts sustaining, for example, the Federal Voting Rights Act. But the present crew of judges and lawyers, who seek to topple established gains in civil rights and liberties, are not yet in total command. Congress need not be intimidated.

The freedom of choice bill is a regrettable necessity. Congress should not have to protect rights recognized in Roe v. Wade. That decision vindicated a woman's right to control her own destiny yet accommodated the public's increased interest in potential life in late pregnancy. But, given the hostility of the executive branch and the justices it has appointed, Congress is rightly summoned to exercise its legitimate power.

—THE NEW YORK TIMES.

## Other Comment

### No Police to Stop the Fighting

Clearly no one is going to send in troops to stop the fighting in Nagorno-Karabakh. It was only when television brought home the plight of Kurdish refugees last year that Western governments reluctantly agreed to a limited military presence in northern Iraq. The conflict between Armenia and Azerbaijan has yet to reach, and may never reach, that stage. Thus, little remains but the hope that, if not reason, at least mutual exhaustion will bring an end to the conflict before both countries are reduced to ruins.

—New Zürcher Zeitung (Zurich).

### Little Change in Saudi Arabia

King Fahd is moving almost imperceptibly in the direction of political reform. The king has also pledged to restrain the powers of the religious police. What stands out, however, is what Saudis are not being offered. The decree does not even nod in the direction of pluralism, representative government, a free press, human rights protection or basic rights for women. Saudi Arabia has one-fourth of the world's known oil reserves; what happens there can profoundly affect international economic stability.

—Los Angeles Times.

## Curbing the Arms Race: Asians Should Lend a Hand

LONDON — Managing the trade in conventional weapons is high on the post-Cold War agenda, but far too little thought has been given to one of the busiest arms markets: Asia.

In 1991, according to provisional figures from the Stockholm International Peace Research Institute, Asia accounted for 35 percent of world imports of major arms such as combat aircraft, warships and tanks, the largest of any region; the Middle East and the European Community each accounted for 22 percent.

Both Asia and the Middle East have states wealthy enough to afford the latest hardware. Unlike the Middle East, however, the insecurities that fuel the arms trade in Asia are less acute and there is an opportunity to control conflicts before they get out of hand. Yet the main focus of the five permanent members of the United Nations Security Council has been on curbing arms transfers to the better equipped forces in the Middle East. Given the importance of parts of Asia for the international economy, and the opportunity of catching arms races before they become too intense, there is a strong case for making more serious efforts to control arms sales to Asia.

There will be major changes in the old patterns of conventional arms transfers following the end of the Cold War. While some of the former leading importers, such as Afghanistan, North Korea and Vietnam, are slipping from the top of the list, many others, including India and Japan, are likely to keep their position. India and many other Asian countries are looking for bargains from a sale of arms from the former Soviet Union, but they will probably turn to the United States, the EC and China as well.

Japan might be expected to reduce its arms purchases with the dissolution of the Soviet threat. But Tokyo is anxious about a possible U.S. retreat from Asia. It is also concerned that China might try to fill the vacuum created by the departure of the superpowers. These possibilities may be

enough to keep Japan's arms procurement budget from falling. China's irredentist claims, particularly over Taiwan and the disputed Spratly Islands in the South China Sea, will feed Japanese worries and aggravate strategic uncertainties in Southeast Asia.

Of course, restricting arms transfers to the region is not a simple strategy. China and India both have major domestic arms industries. China is also a major arms exporter. In 1991, China ranked fourth in the world in arms sales, and third among exporters to developing countries.

Some of the Asian states whose arms imports are a significant proportion of their total imports, such as Burma and Sri Lanka, are mainly arming against their own people and pose little direct threat to international peace and security.

The five permanent members of the UN Security Council could do more to limit the arms races in Asia. From 1986 to 1990, the transfer of

major conventional arms to Asia and the Pacific was dominated by the United States and the former Soviet Union. Moscow accounted for 40 percent of the transfers. The United States was close behind with 39 percent, while the EC accounted for 13 percent and China 6 percent.

What criteria could be applied to limit arms transfers? It might be possible to agree that particular states in specific zones of conflict, such as the Korean or countries with claims in the South China Sea, should accept a new system of confidence-building measures that include intrusive inspections as well as multilaterally agreed exchanges of information on military employment and plans.

Agreeing on sanctions to enforce controls on the arms trade will not be easy. One option would be to identify which countries spend more than the average proportion of their budgets on arms. Aid and high-technology transfers to the high spenders could then be cut. Using just one criterion for identifying offenders might be unfair. But a ranking that included multiple indicators — for example, arms imports as a percentage of total imports or as a percentage of gross domestic product — might be more acceptable.

At a minimum, Asian nations should comply with the recent United Nations Arms Register. Five of the eight countries that abstained from the initial UN vote on the register were from Asia. One, China, refused to take part in the subsequent vote in the UN General Assembly. There is a clear need to build confidence and restrict the arms trade in Asia. Without the cooperation of regional powers, however, there is little chance of success.

## This Time Super Tuesday May Work

DALLAS — This time, it just might work. "Super Tuesday," the concentrated pack of Southern primaries designed to deliver to Dixie Democratic politicians a presidential nominee who will not kill the ticket in November, has a chance, belatedly, of accomplishing its goal.

When key Southern legislators like Tom Murphy of Georgia and then-governors like Bob Graham of Florida and Charles S. Robb of Virginia came up with the scheme in 1986, they hoped to head off another "disaster" such as the all-liberal, Minnesota-New York ticket of Walter Mondale and Geraldine Ferraro proved to be in 1984.

By having most Southern states set their primaries in a single week, early in the nominating season, the architects of Super Tuesday thought that they would definitely put a moderate and perhaps a Southern candidate into a contending or favored position for nomination.

In 1988 the scheme backfired on them. Three Southern or border state aspirants were on the ballot: Jesse Jackson, the black candidate of the party left; Senator Albert Gore Jr. of Tennessee, a liberal backed by most of the conservative establishment; and Representative Dick Gephardt of Missouri, a self-styled populist who had exhausted most of his financial support.

Running against that divided field, Governor Michael Dukakis of Massachusetts won plurality victories in the two biggest Southern states, Texas and Florida. He and Mr. Jackson both garnered more delegates from the day than Mr. Gore did, and Mr. Gephardt was so strapped by the expense of the multi-state effort that he was soon

forced from the race. In the end, the South helped make Mr. Dukakis the nominee, and its politicians found that he ran so badly in this region that he may have cost the Democrats a Senate seat in Florida and several House races in North Carolina and Texas.

Part of the Super Tuesday problem in 1988 was the unexpected mix of candidates, but part was a miscalculation about the character of the Democratic primary electorates in the South. While the region is politically conservative, those who vote in Democratic primaries are not of that description.

In their book "The Vital South: How Presidents Are Elected," political scientists Earl and Marie Black write: "An exodus of many white conservatives has significantly weakened the clout of this group within the Democratic Party. Although a substantial minority of participants in Southern Democratic presidential primaries still think of themselves as some sort of conservative, the growing importance of blacks, white moderates and white liberals means that the Democratic primaries in the South now tilt in a moderate to progressive direction. There are far more votes to be won in Southern Democratic primaries by candidates who emphasize moderate to progressive themes than by politicians who stress their conservatism."

In Georgia last Tuesday, for example, 26 percent of the Democratic voters questioned in exit polls described themselves as conservative, 44 percent called themselves moderate and 30 percent were liberal.

Given that bias or tilt, the Democrats would face the same risk this year of seeing Super Tuesday bolster the prospects of a nominee who could not carry the South — were it not for the dramatic change in the makeup of their field of candidates.

There is no Jesse Jackson to pull blacks toward the ideological extreme of the party. The only viable non-Southerner in the race, Paul Tsongas, has an economic message that has gained him support of establishment Southern bankers like W. W. Johnson, in Columbia, South Carolina, who have turned away from recent Democratic nominees. Most important, there is only one Southern or border state candidate running, Bill Clinton of Arkansas, a man who seemingly embodies the formula for general-election success for the Democrats in Dixie.

This is how the Black brothers describe that formula: "What the Democrats need are extraordinarily skilled candidates who generate enthusiasm among the party's two essential groups, blacks and core white Democrats, but who are attractive to the South's swing whites, the conservative white Democrats and moderate independents."

Short of naming Mr. Clinton, who has acquired that experience over the past decade in Arkansas, the Blacks could hardly have been more specific. The exit polls in Georgia, where Mr. Clinton won an impressive 57 percent of the vote, showed exactly the pattern of support the authors describe.

If today's voting in eight other Southern and border states confirms this pattern, the creators of Super Tuesday will finally have made their point.

The Washington Post.

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## World Cop: Daydreams Of Grandeur

By Leslie H. Gelb

NEW YORK — The Pentagon has come up with a new idea for American security policy in the post-Cold War era. It is to make the United States into the world's only policeman — in fact but not in name, not everywhere but almost everywhere. No kidding.

"While the U.S. cannot become the world's policeman by assuming responsibility for righting every wrong," Pentagon planners state, "we will retain the preeminent responsibility for addressing selectively those wrongs which threaten not only our interests but those of our allies or friends, or which could seriously unsettle international relations."

The idea is to keep U.S. forces large enough and strong enough to protect America's interests as well as almost everyone else's. The thinking is that if Americans do a really great job of protecting almost everyone against almost everything, then no country — especially Germany, Japan and a revitalized Russia run by bad guys — will ever want to develop forces of its own that could challenge American interests. No kidding.

American interests "must maintain the mechanisms for deterring potential competitors from even aspiring to a larger regional or global role, according to the planning document, obtained by Patrick Tyler of The New York Times.

"Mechanisms" must be the latest euphemism for administration plans to spend \$1.2 trillion on the military over the next five years. It seems America has to be prepared to do a great deal of policing to justify \$1.2 trillion after it won the Cold War and cannot find even one nation capable of seriously threatening its security interests.

There is little in the planning document about developing regional security arrangements of which the United States would be a part. There is practically nothing about trying to nurture collective security through the United Nations, despite clear public commitments by George Bush to move in that direction.

The whole thrust of the document is to lay almost all responsibility at America's doorstep — at the very moment when the American public mood and common sense would suggest otherwise.

The Pentagon planners do themselves and their cause an injustice by being unable to unhook themselves from their big-brother, big-bucks mentality. For if you get over the shock of the document's basic thrust and look at some of the specific things that the planners feel the United States should be doing, they have some good and important thoughts and objectives:

- "Preserve NATO as the primary instrument of Western defense and security, as well as the channel for U.S. influence and participation in European security affairs." That makes sense, especially if — as the document states — Washington will also try to help along European-based security arrangements.
- "Maintain our status as a military power of the first magnitude" in Asia. Right again, and it is what virtually all the countries of that area want the United States to do.
- Be ready to use force to prevent the proliferation of nuclear weapons and other weapons of mass destruction to countries like North Korea and Iraq. Here again the goal is right, but there is nothing said about taking on this dangerous task in conjunction with allies.

The document also would push the United States toward some rather major new commitments: With its European allies, America would defend Eastern Europe against a Russian attack. Again presumably with allies, the United States would make itself responsible for "regional stability" in the Gulf. These kinds of enormous undertakings need a great deal of public scrubbing.

Curiously and disturbingly, the document seems to be silent about any American role in ensuring Israeli security. An attack on Israel by Syria in conjunction with Iraq and other states is far from unimaginable. It would seem more likely than virtually all the scenarios that Pentagon planners say they are worried about. Congress ought to press Defense Secretary Dick Cheney to explain this disturbing omission.

But most of all the Bush administration should take a cold shower. Maybe then Bush planners would stop daydreaming about being the world's policeman and \$1.2 trillion defense budget, and take a look outside their windows.

The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1892: Gladstone to Win?

PARIS — The two political armies in England are brought face to face now till the General Election. The victory of the Gladstonians last week in London County Council elections may be regarded as a prelude to the greater battle. It has put the followers of the "Old Man" into the most buoyant spirits, and depressed the Conservatives. Most of the omens appear to be in favor of the Liberals. A party which has been in power six years generally loses its hold upon the country, not necessarily through any fault of its own. But people want a change.

### 1917: Heavens at Fault

LONDON — Despatches from a Swiss source state that the Prussian Chamber of Deputies is again the scene of stormy debates. The Liberal parties attacked Baron von Schorlemer, the Minister of Agriculture, whom they accused of being respon-

### 1942: Fashion Freeze

WASHINGTON — [From our New York edition:] The War Production Board served notice today [March 9] that the present fashions in women's clothes will have to remain in vogue for the duration of the war. The notice announced a "freeze" of the existing silhouette. The order is to prevent a waste of materials in clothes which would result from "radical changes in style." Restrictions being drafted deal mainly with the setting up of maximum lengths and sweeps of women's coats and dresses.

Campaign Whine. V And Tsc  
By William

Let's sign our "Vobod" names, recognize three good candidates and st

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OPINION

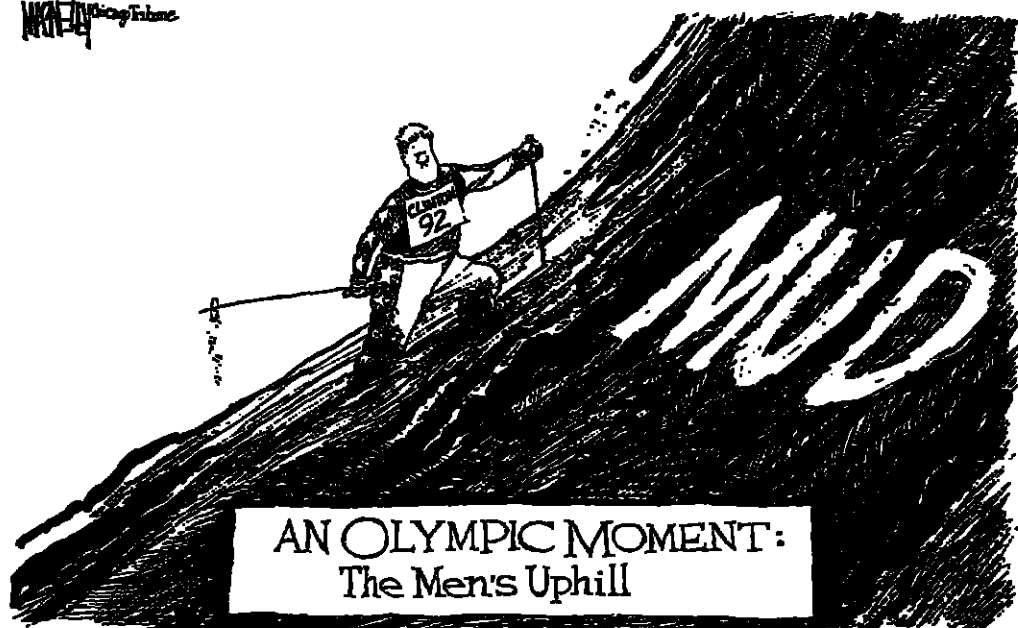
Campaign Fun: Whine, Women And Tsongas

By William Safire

FORT LAUDERDALE, Florida — Let us now phase out famous myths. Myth 1. George Bush's popularity will rebound as economic growth resumes this summer.

Let's pin on our 'Nobody's Perfect' buttons, recognize three pretty good candidates and stop sniveling.

has been stripping for political action to illustrate her magazine memoirs. Puncty Clinton supporters are hoping that it is only a past Miss Arkansas, which would at least show gubernatorial state loyalty.



AN OLYMPIC MOMENT: The Men's Uphill

of refutation will begin. But if Mr. Bush coldly denounces the fishing inquisition as unworthy of a place in politics, he will be doing what is right but will help level the playing field for Mr. Clinton.

Myth 3. The health issue has been laid to rest by the candor of former Senator Paul Tsongas and his doctor. One of the most knowledgeable and responsible medical journalists in our business, Dr. Lawrence Altman of The New York Times, was given access to both the candidate and his personal physician. He wrote a straight news story that, despite its upbeat headline, had to be troubling to any serious voter.

I read it closely and reached two conclusions. First, Mr. Tsongas has greater inner strength than most of us realized, making his political comeback after his cancer went into remission all the more admirable. His emergence from the shadow of death to the spotlight of national prominence is nothing short of inspirational.

Second, several leading cancer specialists expert in the lymphoma that nearly killed Mr. Tsongas do not share the hopefulness of his doctor's prognosis. As I read the story — which bears careful study and follow-up — this candidate may be in greater danger of not surviving his term than the younger Mr. Clinton or even the older Mr. Bush.

If Mr. Tsongas becomes the Democratic nominee, his complete medical record should be subject to inspection by doctors who could then make their independent judgments public. We need to learn more about his claustrophobia, too, the existence of which he freely asserted in his interview with Dr. Altman. (Perhaps a fear of confined spaces would be good in a president.)

With unemployment remaining high for Mr. Bush; with Mr. Clinton under continued sexual harassment; and with Mr. Tsongas's health to be more closely

examined — does this mean that a fault-free last-minute entrant will scoop the pools?

I think not. Let's pin on our "Nobody's Perfect" buttons, recognize a choice of three pretty good candidates and stop sniveling. This is shaping up into the best campaign in 12 years.

The New York Times.

What Clinton Problem?

IN THEIR capacity for unhappiness, the Democrats, I, my beloved but neurotic ancestral party, remind me of what Tolstoy said: "Happy families are all alike; but every unhappy family is unhappy in its own way."

In 1968 it was the Vietnam War. In 1972, a strong and attractive Senator Edmund Muskie, the stoic-in-nominee, let the silly scurrilities of the Manchester Union Leader get his goat.

This year it is the Clinton problem. For all his alleged peccadilloes — and never has the literal meaning of the word, "petty sins," fit better — Governor Bill Clinton is obviously the candidate for the Democrats this year. He is a brilliant and gifted campaigner, with a fine record of public service.

Yet here the Cro-Magnon liberal Democrats are, battering away at Mr. Clinton in the usual cannibalistic exercise. Why? The excuse is that Mr. Clinton's implied admission of past marital infidelity could be a liability. But the polls suggest that the voters are not buying it, that they sense the makings of a winner and are more urbane about the bogus sex issue than the press or the polls.

— Edwin M. Yoder Jr., in The Washington Post.

Japan, Land of Quiet Apartheid

By George Hicks

TOKYO — In our brave new world of minority and human rights, it is remarkable that Japan's minority policies get scant notice. Apart from hundreds of thousands of South and Southeast Asian migrant workers, many of them illegal, Japan has two large groups of permanent minorities: from 2 million to 3 million burakumin and 700,000 to a million Koreans.

The burakumin are ethnically, culturally and linguistically Japanese. For historical reasons relating to "unclean" occupations in which they

MEANWHILE

found themselves a millennium ago, they form a group of untouchables, unable to marry out of their group and assimilate with mainstream society, subject to every type of discrimination.

How has Japan coped with the Koreans? The great majority were born in Japan and speak only Japanese, masking a return to Korea realists. They want to be accepted as equals.

More than a decade ago, Robert A. Scalapino, an American political scientist, sounded a pessimistic note in his introduction to the classic study on Koreans in Japan by George de Vos, noting that Japanese tolerance toward the outsider is extremely limited. "The sense of being part of a superior or 'chosen' race has been of great assistance in abetting self-confidence and a collective will to succeed."

Mr. Scalapino added that in an age of increasing national interdependence, "a tightly knit exclusiveness will present difficulties of steadily growing significance." His pessimism has proved justified. Unlike South Africa, Japan has made practically no progress in unwinding apartheid. A sense of uniqueness and a fear of contamination lead to a form of polite, guiltless apartheid that achieves its objectives without a truncheon raised in anger and with hardly a peep from "liberals," intellectuals or the media.

The Korean Peninsula was a Japanese colony from 1910 to 1945. Older Koreans in Japan were mostly brought forcibly to man factories during World War II; the young are their descendants. During the war, Koreans had Japanese nationality and many fought, willingly or unwillingly, for Japan. (The

allies executed 22 Koreans for war crimes.) Korean women played war roles, too. Hundreds of thousands were conscripted like their menfolk to work in factories in Japan. About 100,000 Korean women, or "comfort girls," were taken to the front lines to provide sexual relief for troops.

When Japan regained its independence from the United States in 1952, no time was lost in stripping members of the Korean community of their Japanese nationality. As foreign aliens, they became disenfranchised taxpayers ineligible for public housing, child welfare and aid to families with dependent children. Birth in Japan does not legally assure citizenship. Naturalization is possible, but the complex process prevents most Koreans from achieving it.

Forced to adopt Japanese names, Koreans should find it easy to pass into Japanese society, but they do not. The famous case of Pak Ching Suk v. Hitachi dates back nearly 20 years, but nothing has changed. When Mr. Pak finished high school in 1970, he applied for a job with Hitachi using, as usual, his Japanese name. He passed the company's entrance exams and was given the job. Hitachi then asked him to submit a certificate of family registration, which revealed his Korean background. Rejection followed.

Mr. Pak, backed by the Korean community, took Hitachi to court and won the case in 1974. The court said that Hitachi had broken the law and that its sympathy rested with Mr. Pak because Japanese society had compelled him to hide his Korean name to escape discrimination.

It was a Pyrrhic victory. Today, few Koreans bother to apply to Japanese companies. They are mainly self-employed; some prosper but most eke out a living on the legal or illegal margins of society, reinforcing the Japanese perception that Koreans are criminals.

Barriers faced by Koreans are illustrated by Yumi Lee, a third-generation Korean-Japanese who has written a pamphlet, "Who Has Heard Japanese-Born Koreans' Voices?" She says she spoke only Japanese and felt wholly Japanese until the age of 16, when she "first confronted the

unforgettable event which occurs to Koreans in Japan — I was forced to be fingerprinted and to carry the Alien Registration Certificate at all times." She joined a high school volleyball club, only to learn that as an alien she was not eligible to play in a national tournament. A career as a physical education teacher was likewise ruled out. Unable to bear the extreme pressure to hide her Korean identity, she decided at the age of 20 to use her real name, Yumi Lee, dropping her Japanese name, Yumi Ueno.

While that was a great psychological relief, she must now face the full brunt of Japanese discrimination. What landlord would want to ruin the neighborhood by renting to her? While looking for an apartment, she lives with her parents in Kyoto. Many are vacant — until she gives her name. Still, she is not discouraged. Not all Japanese are racists, she insists. There are many good people around.

Thousands of Korean workers were killed in Hiroshima in 1945, but the monument in the Hiroshima Peace Park does not list their names. This segregation in death as in life seems perfectly natural from the Japanese perspective. Koreans have seen it differently. After four decades of protest, they were finally allowed to erect a monument to their victims — across a river, well away from the peace park.

There are faint signs of change. The fingerprinting requirements for Korean permanent residents will be abolished by June 1993. They will be replaced by a family registration system that will give the names, birth dates and nationalities of the applicants.

Japan's apartheid is imposed by an alliance of bureaucracy, public opinion, legal enforcement and social sanctions. It meets no domestic opposition. The world should offer the Japanese understanding and sympathy because, at a deeper level, it is they who are the victims. Japan is accepted as a full member of the world trading community, but it cannot be accorded the same position in the civilized world. This is the Japanese tragedy.

The writer, who lives in Hong Kong, is preparing a book on the Korean "comfort girls." He contributed this comment to the International Herald Tribune.

LETTERS TO THE EDITOR

Third American Century

What now? How does America redefine itself after the fall of the imperial Soviet Union? We Americans are left victorious but confused. It might help to place ourselves in the far future, to look back on America's first two centuries.

In our first, extensive century we conquered and occupied a continent. In the second, defensive century we found ourselves threatened three times by totalitarian powers, and three times we stood with worthy allies against what we saw as evil threats, each time emerging victorious. Now we stand alone and unchallenged from without.

The reorientation of the American soul in preparation for this third, intensive century will not be easy. It is after all simpler to jump up and "Go West" or to hold high the flag and shout "Remember Pearl Harbor" than it is to set oneself to the unglorious tasks of rebuilding crumbling cities, reclaiming alienated youth and minorities, saving the menaced environment, restructuring self-serving financial practices, reforming education and, most important, creating a true rule of law, clarity and justice for all. So, let's get going. HERMAN ARCHER, Castro.

What Does Europe Say?

A headline on March 5 read, "Europe Needs GIs, U.S. General Says." A U.S. general would say that, wouldn't he? More to the point, what do Europeans say? Isn't it about time that the new

emerging Europe started to decide its own military destiny?

FRANCIS M. S. PEEL, Geneva.

Birth-Control Options

In "Banning Abortion Makes Orphans" (Meanwhile, Feb. 20) Anna Quindlen paints a very sad picture of women who died in 1929 and 1950 of illegal abortions, orphaning their small children. Nothing can make up for the loss of a mother — whether by illegal abortion or drunk-driving accidents.

But women today have many options to prevent pregnancy that our grandmothers and mothers did not have. These options are readily available and need not include abortion. Men can share in the responsibility by having vasectomies.

Banning abortion will create far fewer orphans. Supporting abortion makes murderers. JANET WILMOTH, Brasschaat, Belgium.

Tyson: Cautious Cheers

Having been raped once and sexually assaulted and shot at later, I am all too familiar with the U.S. legal system and the American consciousness regarding rape. So I was pleasantly surprised by the guilty verdict in the Mike Tyson trial.

But on closer examination I noticed a few of the more unpleasant traits in this trial. It seems that to get a conviction, a rape victim must be very young, pretty enough to be a beauty pageant contestant; a devout Christian and teetotaler; and sexually naive (virginal is better). It

also helps to have a supportive family and a good number of reliable witnesses to her state of shock immediately after an attack, including a tape recording of a rape crisis telephone call.

Of course, it would also help if the attacker is a professional thug, with a reputation already so bad that his only defense could be that no one in her right mind would allow herself in a room alone with this creep. She should try to avoid, just as a hypothetical example, good-looking doctors from upper-class New England families with high political connections.

I and most rape victims I know of fit few of these criteria. Until convictions are made on the basis of the crime rather than on the social "quality" of both victim and rapist, I will keep my cheers to a cynical minimum. [Name supplied.] Paris.

Long Live the King

Regarding "The King (a Role Model?) Deserves a Stamp" (Meanwhile, March 5):

Elvis Presley touched more than one generation with joy, both awakening us and rocking us to sleep. It is only some weary people who now focus on how he went so terribly awry. The message to our children is not that you, too, can be a sick junkie, left to die alone in a mansion of cards, but that for awhile, when we were young, someone knew how to make us sing. JACQUELYN SOLOMON, Paris.

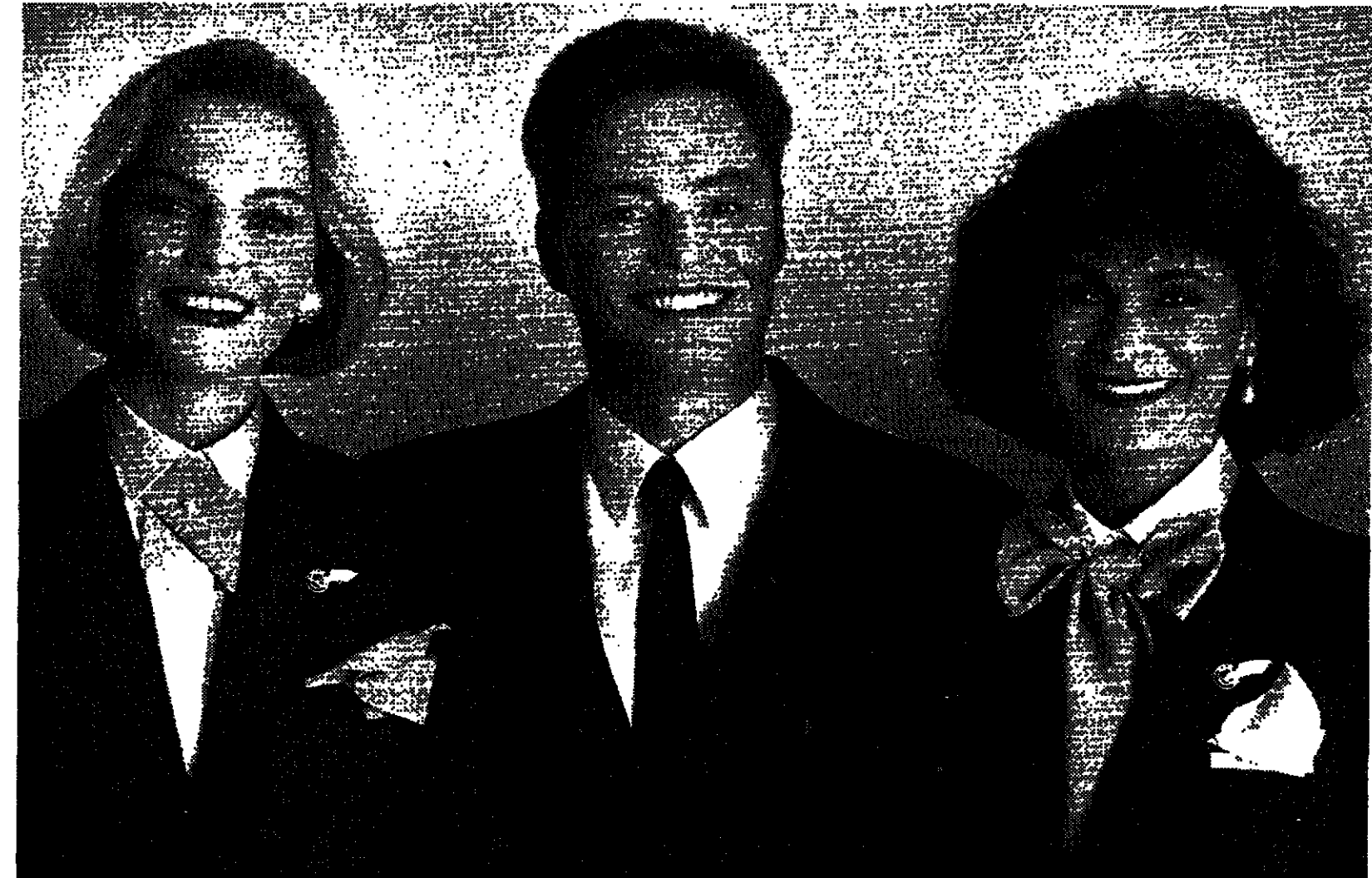
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Solution to Puzzle of March 9 ALEG FLAB BAST ROTOR RULE OCTO ALONE ERAT QMAR BANGLADESH MERE ELAS EGEST TEMPTS ALAR OLLIO OLEG GAFED MUMPS AAR ANEMO ELECT STAR GRIM OATH ASSURE LONGJA BASE MARC CRASHLANDS ETRE KELP AMARA STIR LESE HONES SYST ELIAN SAMS

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Maria Kahlen, 32 Joachim Wegmann, 34 Harriet Persson, 36

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# NYSE

Monday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Symbol	Price	Change
IBM	115.25	+0.75
MSFT	48.75	+0.25
GE	34.50	+0.10
AMT	27.50	+0.10
DIS	25.50	+0.10
INTL	24.50	+0.10
WAL	23.50	+0.10
TRW	22.50	+0.10
GM	21.50	+0.10
AT&T	20.50	+0.10
BA	19.50	+0.10
SPY	18.50	+0.10
GOV	17.50	+0.10
IND	16.50	+0.10
TELE	15.50	+0.10
UTIL	14.50	+0.10
RETAIL	13.50	+0.10
PHARMA	12.50	+0.10
ENERGY	11.50	+0.10
TRANSPORT	10.50	+0.10
TELECOM	9.50	+0.10
COMMERCE	8.50	+0.10
DEFENSE	7.50	+0.10
AVIATION	6.50	+0.10
CONSUMER	5.50	+0.10
INDUSTRIAL	4.50	+0.10
FINANCIAL	3.50	+0.10
REAL ESTATE	2.50	+0.10
ARTS & ENTERTAINMENT	1.50	+0.10
TECHNOLOGY	0.50	+0.10

Symbol	Price	Change
AMZN	18.50	+0.25
ORCL	17.50	+0.20
CRM	16.50	+0.15
INTC	15.50	+0.10
HPQ	14.50	+0.10
QCOM	13.50	+0.10
TXN	12.50	+0.10
WDC	11.50	+0.10
IBM	10.50	+0.10
MSFT	9.50	+0.10
GE	8.50	+0.10
AMT	7.50	+0.10
DIS	6.50	+0.10
INTL	5.50	+0.10
WAL	4.50	+0.10
TRW	3.50	+0.10
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AT&T	1.50	+0.10
BA	0.50	+0.10

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GOV	115.25	+0.75
IND	114.25	+0.75
TELE	113.25	+0.75
UTIL	112.25	+0.75
RETAIL	111.25	+0.75
PHARMA	110.25	+0.75
ENERGY	109.25	+0.75
TRANSPORT	108.25	+0.75
TELECOM	107.25	+0.75
COMMERCE	106.25	+0.75
DEFENSE	105.25	+0.75
AVIATION	104.25	+0.75
CONSUMER	103.25	+0.75
INDUSTRIAL	102.25	+0.75
FINANCIAL	101.25	+0.75
REAL ESTATE	100.25	+0.75
ARTS & ENTERTAINMENT	99.25	+0.75
TECHNOLOGY	98.25	+0.75

Symbol	Price	Change
IBM	115.25	+0.75
MSFT	48.75	+0.25
GE	34.50	+0.10
AMT	27.50	+0.10
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REAL ESTATE	2.50	+0.10
ARTS & ENTERTAINMENT	1.50	+0.10
TECHNOLOGY	0.50	+0.10

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Country	Rate
USA	1.00
UK	0.75
Japan	110.00
Australia	1.50
Canada	1.25
France	0.65
Germany	0.55
Italy	0.45
Spain	0.35
Sweden	0.25
Switzerland	0.15
South Africa	0.10
India	0.05
Singapore	0.02
Hong Kong	0.01

**INTEREST RATES**

Term	Rate
3 Months	5.00%
6 Months	5.50%
1 Year	6.00%
2 Year	6.50%
3 Year	7.00%
5 Year	7.50%

**NEW DOLLAR VALUES**

Country	Value
USA	1.00
UK	0.75
Japan	110.00
Australia	1.50
Canada	1.25
France	0.65
Germany	0.55
Italy	0.45
Spain	0.35
Sweden	0.25
Switzerland	0.15
South Africa	0.10
India	0.05
Singapore	0.02
Hong Kong	0.01

كنايم الوطن



INTERNATIONAL STOCKS

Stampede in Shenzhen Sweeps Foreigners Along

By Laurence Zuckerman

SHENZHEN, China — Whether you are a foreigner or Chinese, the preferred method for choosing a stock on China's two fledgling markets here and in Shanghai is the last-board approach. It is also pretty much the only approach.

Information about the companies' past performance is scant because most of them were reorganized just prior to being listed. Accounting methods are, in the words of Hong Kong brokers, not yet up to international standards, and China's company law is still being written.

But China is booming, especially this 12-year-old special economic zone across the border from Hong Kong, and stock markets are in good odor at the moment after Deng Xiaoping visited Shenzhen in January.

"The government selects the companies so almost every one is good," said Chen Ying, a computer operator who was checking share prices with a crowd of lunchtime onlookers at one of the city's brokerages.

But the government has also used its heavy hand to curb what it considered to be excessive speculation, resulting in a collapse last fall. Since then, authorities have eased up and Mr. Chen, 22, has gotten back into the market, buying 20,000 yuan (\$3,650) worth of shares in four of the seven companies listed on the Shenzhen Stock Exchange.

He regrets not buying more in October, when the market hit bottom. "It's a pity," he said. "If foreigners want to invest in Chinese shares, my advice is the earlier the better."

A Hong Kong broker couldn't have said it better. Since the first B shares, which are reserved for foreigners, began trading last month, China's emerging stock markets have been all the rage among institutional buyers.

"The popularity of it is unbelievable," said Steve Clayton, assistant director of Credit Lyonnais (Asia) Ltd. in Hong Kong, which recently placed the B shares of two Shenzhen companies that are waiting to be listed on the Shenzhen exchange.

ONLY TWO B shares are trading, however; one in Shenzhen and one in Shanghai. When others will be listed is a mystery. Ten others were approved for listing on the Shenzhen Stock Exchange in 1991, but have still yet to be listed, although as many as four issues, including the two by Credit Lyonnais, already have been placed with investors.

Foreign brokers don't seem to be worried by the delay. "This is less political than Indonesia," said the sales director of a major Hong Kong brokerage who was visiting the exchange last Friday. "You should see how long it takes to list in Thailand."

The consensus among foreigners seems to be that the earlier one invests the better because demand for the early stocks is so high. When B shares of China Southern Glass Corp. began trading in Shenzhen on Feb. 28, the price jumped from the equivalent of 72 cents to \$1.15 the first day. Last Friday, however, it was down to 98 cents.

"At the beginning, you have to close your eyes and just buy," said Oscar Wong, deputy managing director of G.T. Management (Asia) Ltd., who was also visiting the exchange last week. Mr. Wong is organizing a \$40 million fund that will invest solely in B shares. Since the fund's rules do not allow him to invest more than 10 percent of its funds in a single stock, he is ready to buy whatever comes on the market.

"We will be more selective toward the end of the year as more stocks come on line," he said. Mr. Wong and others say the Chinese authorities are being careful to create an orderly listing process, ensuring there is an adequate break between new listings. In the streets of Shenzhen, there is a powerful constituency backing this go-slow approach.

"Some people think new stocks will force prices to drop," Mr. Chen said. "But I don't think so. People still have enough money to buy so prices will keep going higher."

CURRENCY RATES

Table with columns for Currency, Par \$, and March 9. Includes entries for Amsterdam, Brussels, London, Madrid, Milan, New York, Paris, Tokyo, Zurich, and various ECUs.

INTEREST RATES

Table with columns for Eurocurrency Deposits, Key Money Rates, and Asian Dollar Deposits. Includes various interest rates for different currencies and terms.

U.S. Money Market Funds

Table with columns for Fund Name, Assets, and March 9. Lists various money market funds and their performance.

GOLD

Table with columns for Location, Price, and March 9. Shows gold prices in various locations like Hong Kong, London, and New York.

West German Newspapers Flop in East

By John Tagliabue

BERLIN — Under Communism it was said people read novels for the truth, since the newspapers printed fiction. So there was little surprise after the Berlin Wall fell in late 1989 that West Germany's newspapers rushed into news-starved East Germany.

Within days, Bild-Zeitung, Germany's largest tabloid, was selling more than a million copies a day in the east. Others, like the Frankfurter Allgemeine Zeitung, encouraged West Germans to give reduced-price gift subscriptions to friends in the east as a means of getting a foot in the door.

Two years later, the presence of the western papers has dwindled. Bild, which climbed to an eastern circulation of 1.3 million at its peak, has dwindled since then to about 300,000 copies a day in the east.

Die Zeit, the respected weekly paper whose total circulation sometimes reaches 300,000, has seen its sales in the east collapse to about 3,000 copies, from 15,000 in the heady early days. And Der Spiegel, Western Germany's leading weekly news magazine, sells only 50,000

copies of its 1.2 million circulation to East Germans.

"It's not that the people here are different; it's that their problems are different," insisted Monika Zimmermann, the editor of the Berlin daily Neue Zeit.

Ms. Zimmermann, who was East Germany correspondent for the Frankfurter Allgemeine before joining Neue Zeit, heads a paper that illustrates the route taken by most western publishers. Neue Zeit, once the paper of East Germany's Christian Democratic Party, a satellite organization of the ruling Communists, was bought by the Frankfurter Allgemeine to represent it in the east, where 17 million of united Germany's 80 million people reside.

In a stately old building near the former Checkpoint Charlie, Matthias Greiffarth heads Wochenpost, a weekly bought by Gruner & Jahr, the Hamburg-based publishers. Wochenpost is intended to be an East German version of Die Zeit.

Mr. Greiffarth, a West German and an former Zeit reporter, said East Germans often could not afford western papers; they can cost three times as much as those in the east. Moreover, he said, many East Germans were

Trade Data Belie Export Hopes For Germany

By Richard E. Smith

FRANKFURT — Germany posted Monday a record current-account deficit and a surprisingly weak trade surplus for January, discomfiting many economists who look to exports to keep the German economy from slipping further.

"A single month may not be representative but this is a poor beginning for the year and indicates that perhaps not so much hope can be put in foreign demand," said Dieter Werwath, economist with CDC Bank in Frankfurt.

As the German economy continues to slump, businessmen and the government hope that a general revival of world growth sometime this year may revive the appetite for German exports and prevent the nation's economy from falling into serious recession.

But Monday's statistics, though perhaps exaggerated by special factors, made it clear that there are not yet any signs of such a trend. The current account, the sum of trade in merchandise and services, plus transfers, spun to a deficit of 6.4 billion Deutsche marks (\$3.8 billion) in January, from a 1.7 billion DM deficit in December. The previous record deficit was 5.8 billion DM last July.

The merchandise trade surplus totaled only 100 million DM, down from 5.1 billion DM in December and 1.3 billion DM in January 1991.

A number of economists had counted on a January figure similar to that of December. But instead, exports dropped to 54.38 billion DM in January from 55.59 billion DM in December, while imports, partly boosted by flows into East-

ern Germany, rose to 54.33 billion DM from 50.48 billion DM.

Economists noted that the anemic trade performance had combined with particularly heavy German payments to the European Community and lower receipts on German investments abroad to produce January's record current-account deficit.

Since such factors may be less in evidence later in the year and since a weaker mark may help boost exports, several economists said that they would not yet adjust their predictions for 1992.

Currently they foresee the 1992 current-account deficit narrowing to about half of the 1991 level of 34 billion DM. This assumes, however, a strong enough rebound in the world economy to allow Germany to substantially increase exports.

The Economics Ministry also announced on Monday that industrial orders in Eastern Germany rose 16.5 percent in December from November, with foreign orders climbing nearly 80 percent.

But statisticians noted that the sharp rise in foreign orders was due to several large, single projects and other figures published on Monday showed that actual industrial production in Eastern Germany had fallen 6.7 percent in December from November.

Germany's Treuhandanstalt said Monday it would share its experience in selling off state enterprises in Eastern Germany with 28 East European and former Soviet republics. Reuters reported from Berlin. The privatization agency will hold a conference in Berlin on March 26 and 27 for 300 delegates from the former East bloc.

Thatcher Miracle Is Showing Its Tarnish

Long U.K. Recession Casts a Shadow on Tories as Election and Budget Loom

By Steven Prokesch

LONDON — When the Conservatives, led by Margaret Thatcher, won a landslide victory five years ago, Britain was booming and Britons believed their economy, which had long suffered from anemic growth, high inflation and militant unions, had been transformed.

Now, with Britain slogging through what is by some measures its longest recession since World War II, the so-called Thatcher miracle is looking a lot less miraculous.

Later this week, when the government's annual budget is announced, it is widely expected to contain initiatives, including tax cuts, to pump money into the economy and ease the recession. But Prime Minister John Major, Mrs. Thatcher's successor and protégé, is resigned to facing a general election, which must be held by July 9, with the economy still in recession.

The prime minister is expected this week to announce an election for April 9. Last year, Britain's economy suffered its sharpest one-year contraction since the 1930s. Unemployment, on the rise for 22 months, totals 9.2 percent of the work force, or more than 2.6 million people. And economists expect it to rise to nearly 3 million people, rivalling the postwar record.

After more than a year of recession, there are no concrete signs of a revival in business or consumer spending.

"The latest data," said Patrick J. Foley, chief economist at Lloyds Bank, "indicate that there probably won't be an improvement in the first half. There may even be a slight deterioration."

Slowdowns or recessions in the United States, Japan and Western Europe mean Britain cannot expect much help from exports, which have been one of the few bright spots.

What happened here has a familiar ring in the United States. Expansion in the 1980s accompanied by lavish bank lending, tax cuts and spirited entrepreneurship eventually caused the economy to overheat. To cool things down, interest rates were pushed as high as 15 percent. Consumer spending plummeted and business spending faltered.

Some examples of the 1980s excesses are well known, like the collapse of Robert Maxwell's publishing empire and Asil Nadir's conglomerate, Polly Peck International PLC.

There are also real estate problems like the sprawling Canary Wharf development in East London, where 40 percent of the 4.6 million square feet (400,000 square meters) of office space that has been built or is nearly finished is not rented.

But Britain's biggest problem is the tens of thousands of people who got in over their heads. College students were bombarded with credit cards. Entrepreneurs found it easy to borrow for new businesses. And home buyers found banks all too willing to lend them as much as 100 percent of their mortgages at floating interest rates that wound up soaring.

"Banks were throwing money at people," said Donald Lee, owner of VIP Type Ltd. in Milton Keynes, a city 50 miles north of London, where entrepreneurs flourished in the prosperous 1980s. "But when times are tough, they tighten up."

Mr. Lee's small company, which prepares material to be printed, had been growing at 30 percent to 35 percent a year until April. Then sales plunged. His bank cut his overdraft and reneged on a promised mortgage to replace the temporary financing used to buy his building. Mr. Lee saved his business by selling his invoices at a discount. He now has no cushion.

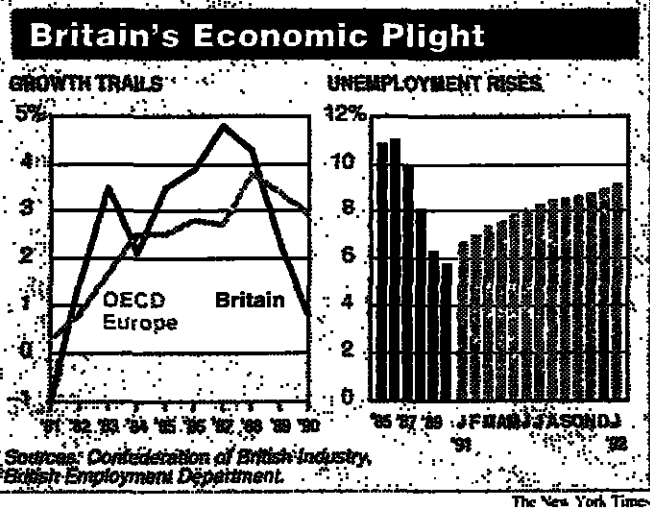
"I'm still on a knife edge," he said. Leaders of Labor, the main opposition party, are reminding Britons that the country went through two severe recessions in the 13-year rule of the Tories, as the Conservatives are known. So far, the gross domestic product has fallen 3.7 percent since the third quarter of 1990. But the 1979-81 double-dip recession was worse; GDP dropped 5.5 percent.

Beyond this year's election, business leaders, economists and other specialists say that how Britain lifts itself from this slump could be pivotal to its economic future.

"We're at a turning point," said Sir Denis Henderson, a leading British industrialist and chairman of Imperial Chemical Industries. After the union problems, high taxes, excessive government intervention and lack of enterprise culture of the 1960s and 1970s, the pendulum swung too far the other way in the go-go Thatcher era, he said.

"One has to hope that when we get through this period of stringency," Sir Denis said, "we will see the pendulum centering — that taxes will not rise again to the point they become penal, that people will say, 'Yes, we still want the enterprise culture, we have to keep inflation low because we've got to be competitive in world markets and we will not be quite so ready to overextend ourselves in terms of borrowing.' But at this point, it remains to be seen which way the British economy goes."

In the 1980s, the Tories greatly reduced government borrowing and even ran a surplus for awhile.



Source: Confederation of British Industry, British Employment Department.

Social Democrats Drop Threat to Block EC Treaty

BONN — Germany on Monday cleared a major hurdle to ratification of the European Community's treaty on political and monetary union, when the opposition Social Democratic Party rescinded a threat to block agreement.

The SPD leader, Björn Engholm, said the party still sought changes to the treaty that he said were needed because Chancellor Helmut Kohl's conservative-led coalition had shown weakness in negotiating the document. But he said, the party no longer linked ratification to those demands.

"There is no alternative to European union," he said, after a meeting of party leaders.

Earlier Monday, Foreign Minister Hans-Dietrich Genscher warned that Germany must not, through holding up the treaty, risk triggering nationalist impulses.

"Europe's Yes to German unity must be followed by Germany's 'Yes to Europe,'" Mr. Genscher said in a speech. "There must not be any doubts about this. Small-minded rejection of progress toward European unity could mean new nationalism."

The accord signed at a summit meeting in Maastricht, the Netherlands, in December commit the Community to forging a common currency by 1999, with the exception of Britain.

But in Germany, criticism from the opposition that Maastricht threatens the mark has tapped a strain of growing public discontent with the planned common currency. The SPD has also called for the treaty to be improved to boost the powers of the European Parliament.

Under the German constitution, treaties need approval by two-thirds of both houses of the legislature. (AFP, Reuters)

Bankers' Mission to Moscow

By Lawrence Malkin

NEW YORK — A high-powered group of American bankers is heading for Moscow this week under the auspices of the Federal Reserve to advise Russian banks on how to attract foreign investment, but American involvement so far seems mainly limited to technical assistance.

E. Gerald Corrigan, president of the Federal Reserve Bank of New York, is leading the party. Mr. Corrigan organized two dinners here during the past year for Boris N. Yeltsin to meet financiers and industrialists and is probably the American financial official closest to the Russian president.

In Moscow on Thursday and Friday, senior vice presidents of money center banks including J.P. Morgan & Co., Citibank, Bank of America, Chemical Bank, Chase Manhattan, Bankers Trust and Bank of New York will address a Fed seminar on creating an environment to attract investment.

A half-dozen representatives of Fortune 500 industrial companies also are expected, but a Fed spokesman did not name them. The agenda calls for them to pass on to about a hundred Russian government officials the expertise they have gained in Third World countries on setting up a legal framework for investment, privatizing state industries, repatriating profits, pricing and similar topics.

Although U.S. investment in the former Soviet Union is moving much more slowly than the Russians would like, New York City is alive with offers of advice, introductions and seminars purporting to offer direct lines to profitable deals. Only last week Vladimir I. Scherbakov, an economist and former deputy minister, addressed several hundred businessmen about an investment fund he heads. He made the presentation at the offices of a New York law firm, Skadden, Arps, Slate, Meagher & Flom.

A New York Fed spokesman said the group at Mr. Corrigan's seminar "will be offering technical assistance, which is what you would expect at this stage. The advantage of it is that no one at the seminar has any hidden agenda."

After the last meeting on Jan. 31, Mr. Yeltsin told the American capitalists he had fulfilled their

challenge to him, which was to end Communism in Russia. He continued: "I'm ready. Where are your concrete plans, where are your investments?" Officials who heard the speech said this was meant as a challenge to the West rather than a reproach.

Officials of the Russian central bank also held talks last month with the former Fed chairman, Paul A. Volcker, who is now chairman of J.D. Wolfensohn & Co., a New York investment bank.

Mr. Volcker plans to visit Moscow on March 21-22 for final discussions. At the maximum, he is prepared to help set up a small team of advisers, which he would direct with occasional visits from his base in New York. In a more restricted role, he would consult from New York on such matters as Russian negotiations for admission and credits from the International Monetary Fund.

Meanwhile, the managing director of the IMF, Michel Camdessus, said Monday in Tokyo that Russia and the other former Soviet republics may be able to become full members of the fund soon after the semiannual meeting of its Interim Committee in Washington late in April. Two problems must be sorted out.

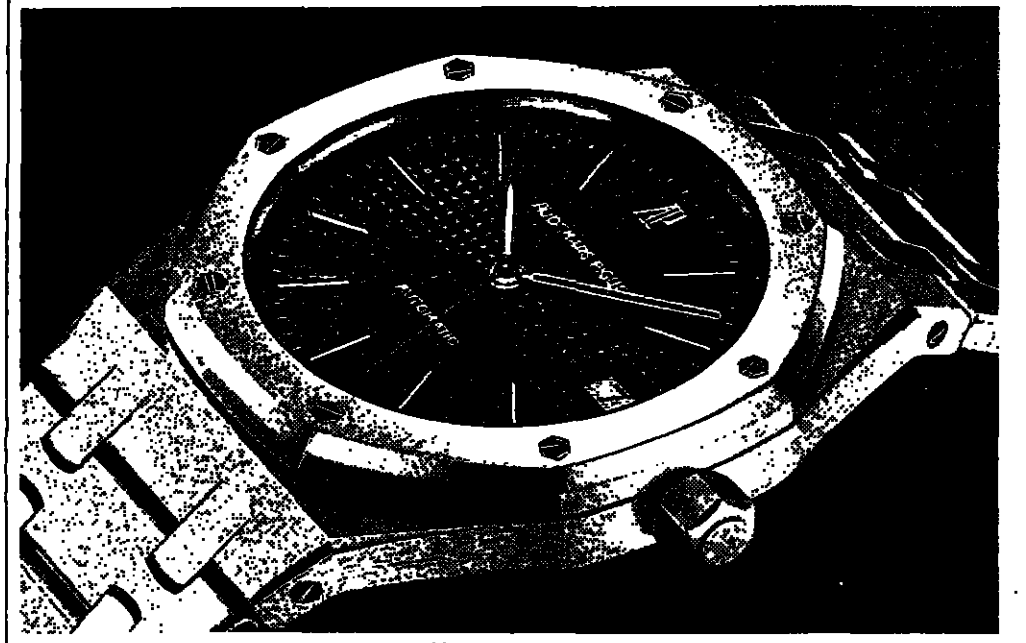
Russia and the IMF board must agree on the size of the Russian quota, which determines the size of the credit Russia will be able to draw. The Russians seek a quota of about 4 percent, or about twice what the Fund has proposed.

And the IMF's members must expand the size of the fund by enlarging their own quotas.

Tax Breaks for Foreign Investors Russia plans to lower taxes for foreign investors prepared to help its sagging industrial sector. Industry Minister Alexander Titkin said Monday, according to a Reuters dispatch from Moscow. Mr. Titkin said his ministry had worked out a draft presidential decree on the tax breaks, designed to help foreign investors willing to put money into projects approved by the ministry. He gave no figures. He said Mr. Yeltsin would sign the decree next week.

Russian industrial production is expected to slump by at least 15 percent this year.

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Stocks Weaken But Bonds Surge

Compiled by Our Staff From Dispatches NEW YORK — U.S. bond prices surged Monday, boosted by comments from the vice chairman of the Federal Reserve Board that suggested the central bank is concerned about the strength of the

N.Y. Stocks

U.S. economy, while stocks meandered in light trading. The bellwether 30-year Treasury bond gained almost half a point, with its yield falling to 7.87 percent from 7.94 percent on Friday. On the New York Stock Exchange, meanwhile, the Dow Jones industrial average recorded its fourth straight loss, falling 6.49 points, to 3,215.12, its lowest level in nearly two months. Declining stocks outnumbered advances by a few issues as volume dwindled to 160.62 million shares from 185.04 million. David W. Mullins Jr., the Fed vice chairman, said there was still a question whether the U.S. economy would recover from its current malaise. Weak economic growth augurs against rises in interest rates, positive news for bond prices. "The jury is still out on whether this recovery will shape up," Mr. Mullins told an international bankers' group. He said he expected no

Traders Turn Attention To Mark/Swiss Franc

NEW YORK — The dollar slipped Monday in quiet trading, as most dealers focused on buying the Deutsche mark against the Swiss franc and Japanese yen. Dollar traders took a pause after last week's volatile trading, capped

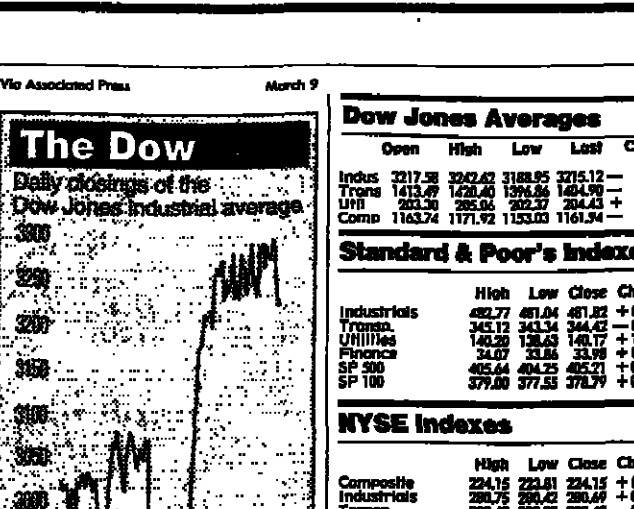
Foreign Exchange

Friday when U.S. no-farm payrolls for February rose along with unemployment. "The market is mostly working off bullish dollar sentiment. It was a little too zealous last week," said Alfonso Alejo at Mitsui Taiyo Kobe Bank in New York.

The dollar fell Monday to close at 1.6608 Deutsche marks, down from Friday's closing 1.6675 DM, and 131.925 yen, down from 131.900. The U.S. currency also dropped to 1.5064 Swiss francs from 1.5133 and a 5.6400 French francs from 5.6645. The pound rose to \$1.7255 from \$1.7190.

"The market is on hold now after last week was a bit choppy," said David Gilmore, senior foreign-exchange analyst at MCM CurrencyWatch.

Mr. Gilmore said the market had lost interest in buying dollars and had turned to marks. The mark firmed in active cross-trading, against the Swiss franc and yen in particular.



Dow Jones Averages table with columns for Open, High, Low, Last, and Change. Includes Standard & Poor's Indexes and NYSE Indexes.

NYSE Most Active table listing top trading stocks like RJR Nabisco, Glaxo, and Amgen with their respective volume and price changes.

AMEX Most Active table listing active stocks on the American Stock Exchange like RJR Nabisco and Glaxo.

NYSE Diary table showing advanced, declined, and unchanged stocks on the NYSE.

AMEX Diary table showing advanced, declined, and unchanged stocks on the AMEX.

NASDAQ Diary table showing advanced, declined, and unchanged stocks on the NASDAQ.

NASDAQ Daily table showing advanced, declined, and unchanged stocks on the NASDAQ.

France Prices Elf Shares at 360 FF

PARIS — The French government on Monday set a price of 360 francs (\$63.60) a share for its sale of a 2.3 percent stake in Elf Aquitaine, the state-controlled oil company.

Of the 5.78 million shares to be sold March 13, 3.38 million will be offered in France and 2.4 million in foreign markets. If all the shares are sold, the government will receive about 2.08 billion FF.

After the sale, the French government will own 51.5 percent of Elf. The Elf sale was announced in November but was postponed in early December, when the stock market dropped sharply.

Elf shares closed at 369.60 francs on Monday.

EUROPEAN FUTURES table listing various futures contracts like SUGAR, COFFEE, and SOYBEANS with their prices and changes.

Stock Indexes table showing FTSE 100, Nikkei, and other major stock indices.

Spot Commodities table listing prices for various commodities like Aluminum, Copper, and Silver.

Dividends table listing companies and their dividend payments.

Financial table listing various financial instruments and their prices.

U.S. FUTURES table listing various U.S. futures contracts like Wheat, Corn, and Soybeans.

Grains table listing prices for various grain futures.

Metals table listing prices for various metal futures.

SOYBEAN table listing prices for soybean futures.

WHEAT table listing prices for wheat futures.

CORN table listing prices for corn futures.

Metals table listing prices for various metal futures.

SOYBEAN table listing prices for soybean futures.

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WHEAT table listing prices for wheat futures.

CORN table listing prices for corn futures.

Metals table listing prices for various metal futures.

SOYBEAN table listing prices for soybean futures.

WHEAT table listing prices for wheat futures.

Judge Declares Drexel Suits Settled NEW YORK (UPI) — U.S. District Court Judge Milton Pollack said Monday a final \$1.3 billion agreement had been reached to settle civil suits growing out of the 1989 collapse of Drexel Burnham Lambert.

The judge declared that one of the parties to the settlement was the Federal Deposit Insurance Corp., which last week had balked at the deal. The creditors had filed more than 170 suits against Drexel, Michael R. Milken, the former head of its high-yield bond operation, and other employees. As part of the settlement, Mr. Milken — now serving a 10-year prison term for securities fraud — will kick in \$900 million. About 200 other Drexel partners will contribute \$300 million, and the company's insurers will contribute \$100 million. Drexel collapsed because of cash-flow problems linked to charges of illegal dealings by Mr. Milken and others.

Trump Casinos File for Protection ATLANTIC CITY, New Jersey (AP) — Two of Donald Trump's casinos filed for bankruptcy protection on Monday, seeking court permission to go forward with a debt restructuring already approved by the bulk of their bondholders.

The Trump Plaza plan restructures \$250 million in debt but does not require any equity because the casino is not in default. Mr. Trump has relinquished any equity payments to bondholders of Trump Castle, the other casino. Bondholders are to get half of that casino's equity in exchange for lower interest rates on \$288 million of debt. Mr. Trump's other Atlantic City casino, Trump Taj Mahal, emerged from bankruptcy court last year with a prepackaged plan similar to that proposed for Trump Castle.

Citibank Merges Management Units NEW YORK (Combined Dispatches) — Citibank said Monday it would combine its U.S. and international asset-management units into one global investment-management business, with assets exceeding \$35 billion.

W. Neville Bowen, chief executive of Hill Samuel Investment Management Group Ltd., was named chief executive of Citibank Global Asset Management, effective April 2. The Citicorp subsidiary said the consolidation would make it "more efficient."

Separately, Lehman Brothers International Ltd. named Christopher Deuters, a Citicorp executive, managing director and head of global foreign exchange, a new position.

Keycorp to Buy Washington Bank NEW YORK (AP) — Keycorp, the Albany, New York-based banking company, agreed Monday to acquire the largest independent bank in Washington state, Puget Sound Bancorp, for \$807 million in stock.

Keycorp has operations in Northeast and Northwest states and already had 42 offices in Washington. Puget Sound has four banking subsidiaries and seven other businesses. It has \$4.9 billion of assets.

Consumers Pare Credit in January WASHINGTON (UPI) — U.S. consumer borrowing edged down by a seasonally adjusted \$1.63 billion in January for the third straight monthly drop, although automobile loans rose for the first time in more than two years, the government said Monday.

Ford Motor Co. made a bid for a \$550 million deal to build 65,000 cars in Canada to be used as taxis in Argentina.

Revo D.S. Inc. said all of its creditor groups had voted in favor of accepting the company's plan of reorganization, setting the stage for its emergence from bankruptcy.

Dayton Hinson Corp. said it would eliminate about 630 jobs in its department-store division, which includes the Dayton's, Hodson's and Marshall Field's chains, to boost profitability.

Trans World Airline's agreement to sell two of its last three London routes to USAir got clearance Monday from a federal bankruptcy judge. The \$50 million sale of routes from Baltimore and Philadelphia still must be approved by federal regulators.

WORLD STOCK MARKETS

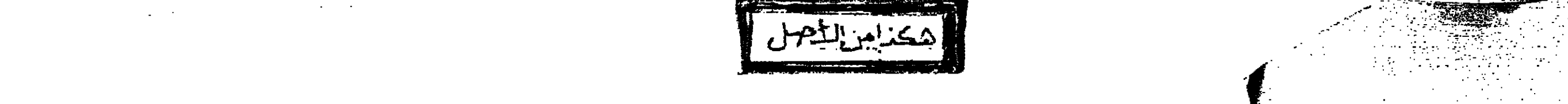
Table of world stock markets including Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Montreal, Paris, Singapore, Stockholm, Sydney, Tokyo, Zurich, and various regional indices.

Table of world stock markets including Hong Kong, Seoul, Taipei, and various regional indices.

Table of world stock markets including various regional indices and commodity prices.

Table of world stock markets including various regional indices and commodity prices.

Reforms S... REPRESSION... JAPAN: Politici... Various news snippets and headlines on the right margin.





# Reforms Sought for U.K. Pensions

**By Erik Ipsen**  
**International Herald Tribune**  
**LONDON** — A Parliamentary committee concluded Monday that the late Robert Maxwell was almost unique in both his determination and disregard for the law and that very little could be done to stop such mercifully rare people.

Mr. Morgan of IMRO also reflected this shift. "We can't guarantee that another Maxwell could not stage a smash-and-grab raid of this kind," he said. "But that is no reason for complacency."

One problem facing would-be reformers now is where to begin. Currently, much attention centers on the pension-fund trustees, and on such factors as their lack of independence and of financial qualifications.

"The duties of a trustee are onerous and I suspect that many accept them and become trustees without having any idea of what those responsibilities are," said David Arnold, a partner with the accountants Ernst & Young in London.

Having agreed on the need for more rules and stiffer regulation, the committee recommended that the government conduct a full inquiry aimed at a complete overhaul of pension law.

Calls for pension trustees who are financial experts with no ties either to company management or

to its employees have won widespread support. So have proposals that would strictly limit everything from the amount that a pension fund could invest in the shares of its own company to the amount of securities it could lend to that company.

Pension experts say that more rules of this sort, however, would require a stronger regulator to ensure they were being adhered to.

Ian Woods, a partner with the Wyatt Co. pension fund consultants, said that the danger was that too much regulation could persuade smaller companies simply to forgo offering such funds to their employees.

Some experts worry that the net effect of any sweeping change in the law might be to drive up the costs of managing pension funds. That is the case with a mandatory pension compensation fund. Such a program would bail out pensioners in the event of a failure of their fund, and would be funded via a levy on all pension funds. The problem, said David Hudson, of the pension consultants William Mercer Fraser, "is that employers who run proper schemes will have to pay for the misdeeds of the criminally minded."

# Prosecutor Asks Jail Term for De Benedetti

**Compiled by Our Staff From Dispatches**  
**MILAN** — A prosecutor asked a court Monday to convict and imprison Carlo De Benedetti, the chairman of Olivetti SpA, and other financiers as accessories to fraudulent bankruptcy in connection with the 1982 failure of Italy's largest private bank.

The prosecutor, Pier Luigi Dell'Oso, asked for prison terms of up to seven years and eight months, including a term of six years and two months for Mr. De Benedetti, who was briefly deputy chairman of Banco Ambrosiano a few months before its collapse with more than \$1 billion of debts.

Mr. Dell'Oso accuses Mr. De Benedetti and other financiers of being accessories to fraudulent bankruptcy in the case.

He has sought stiffer prison terms, of up to 18 years, for Licio Gelli and Umberto Ortolani, high-ranking members of the outlawed P-2 masonic lodge. (Reuters, AP)

# Indebted Belgium Ponders Rate Shift

**Reuters**  
**BRUSSELS** — Belgian authorities said Monday they were considering letting short-term interest rates fall below equivalent German levels but insisted that monetary policy would still hinge on tracking the Deutsche mark.

Lower interest rates would help ease the new government's burden of servicing state debt, the highest in Western Europe in terms of gross national product.

"It is being considered, although there is no decision yet, that both Dutch and Belgian interest rates could be placed slightly below German interest rates," said Finance Minister Philippe Maystadt.

"The top priority is not to let the deficit get worse in 1992, and to bring it back to what had been planned last year," Mr. Maystadt said in an interview.

"Maybe Maystadt wants to take advantage of the weak mark, even for a short while, to keep financing costs as low as possible," said Stefan Stank, chief foreign-exchange dealer at the Brussels branch of ABN-AMRO Bank.

A Belgian central bank spokesman confirmed the bank was considering rates below those of Germany but added: "The fundamental link between the franc and the anchor of stability — which is the mark — will be kept completely."

Mr. Maystadt said talks were taking place on the issue among the Netherlands, Germany and Belgium. "The talks are informal and are between the governors of the central banks involved," he said.

But the Dutch central bank said it knew of no discussions to allow Belgian and Dutch rates to slip below Germany's.

Mr. Maystadt's comments sent short-term interest rates lower on the Belgian money market and the franc weakened against the mark.

Belgian monetary policy is based on tracking the mark, the key currency in the exchange-rate mechanism of the European Monetary System.

But currency dealers said Belgium has room to let interest rates ease slightly, even though Germany was showing no signs that it would lower short-term rates.

Investor's Europe		
Index	1992	1991
Frankfurt DAX	2700	2600
London FTSE 100 Index	2700	2600
Paris CAC 40	2700	2600
Amsterdam AEX	2700	2600
Brussels Stock Index	2700	2600
Frankfurt FAZ	2700	2600
Helsinki HEX	2700	2600
London Financial Times 50	2700	2600
London FTSE 100	2700	2600
Munich General Index	2700	2600
Oslo OBX	2700	2600
Paris CAC 40	2700	2600
Stockholm OMX	2700	2600
Vienna Stock Index	2700	2600
Zurich SMI	2700	2600

Source: Reuters, AFP

# RECESSION: U.K. Troubles

**(Continued from first finance page)**  
 there was not a machine like that in the U.K." He wanted to buy two more, but the recession forced him to cut planned capital expenditures by 80 percent.

Besides being better equipped, German competitors generally have workers with better skills. To be competitive, Mr. Roberts says his 130 workers one-third less than comparable German workers.

"Many of us in the West Midlands might survive the recession, but not long-term unless things start to pick up," he said. "Another year of this could be very dangerous."

Foreign companies, drawn by Britain's free-market attitudes, low wages, widely spoken language and eagerness to have them, plowed about \$170 billion into Britain between 1981 and 1991. That investment is helping to revitalize formerly declining industries, such as autos, and to build new ones, such as electronics.

But with the fall of communism in Eastern Europe, Britain now seems remote from the center of the European market. It must worry about vying not only with France, Germany and Italy for investment but also with some Eastern European countries.

What does all this say about the Tory era? "It's not easy to give a definitive answer," said David Kern, chief economist of National Westminster Bank. "If you take inflation, economic growth and productivity growth over the period compared with the previous 20 years, you can easily give the answer that things have gotten worse," he said. "But if you look at the average performance of the U.K. economy relative to that of other countries, the gap between us and the others has narrowed a lot."

From 1980 through 1991, the British economy grew at an average annual rate of about 1.7 percent, trailing the 2.6 percent average for the 24 industrialized countries in the Organization for Economic Co-operation and Development. But in the previous 20 years, the gap was 1 percentage point greater, with the British economy growing at an average annual rate of 2.8 percent, compared with 4.7 percent for the OECD countries.

Britain's inflation in the 1969-1979 period averaged 7.9 percent but eased only slightly in the 1980-91 period, to an average of nearly 7.5 percent.

British manufacturing productivity grew in the 1980s at an annual average rate of 4.1 percent — the highest of any leading industrialized country.

One reason was that the government pacified unions by requiring that many decisions, such as whether to strike, be made by the rank-and-file instead of at the union leaders' discretion. Other steps limited the ability of the unions to disrupt the economy.

Meanwhile, interest rates were low and the government put more money into people's pockets by cutting the basic tax rate to 25 percent from 33 percent and the top marginal rate to 40 percent from 83 percent.

# Boom Turns to Bust in a U.K. Town

**By Steven Prokesh**  
**New York Times Service**  
**MILTON KEYNES, England** — If any place is a gauge of just how much the recession has knocked the confidence of Britons, it is Milton Keynes. A gleaming city of new, mirrored-glass office buildings, warehouses and light-manufacturing factories about 50 miles (80 kilometers) north of London, it was one of the Thatcher era's boomtowns.

As a train pulls into town, visitors are still greeted by a slogan on a wall declaring, "Tomorrow belongs to us." But with foreign investment slowing, housing prices down 25 percent to 35 percent and unemployment at what is here considered to be an astronomical 7.5 percent, uncertainty pervades the city.

Milton Keynes was designated a "new town" in 1967, a status that attracted people, offices and industry. It comprised several existing towns whose locations were considered attractive to commerce and industry.

In the 1980s, large British and foreign companies came here in droves to escape an overcrowded and increasingly expensive London. There are 88 American companies, including Unisys, Motorola, Dana, Cooper Industries and Coca-Cola, and 43 Japanese companies, including Minolta, NEC and Alps Electric.

But what propelled the local economy were the hundreds of so-called Thatcher entrepreneurs who came and started businesses. With its abundance of commercial space, cheap rents and eagerness to help new companies get off the ground, many saw Milton Keynes as an ideal base from which to serve large London corporations. Others saw the opportunities created by the local boom.

Since 1980, the borough's population has grown 56 percent, to 187,400.

Everything was so new and successful that the community, with its huge covered shopping mall, modern houses with thatched roofs and outdoor sculptures of ows, became both the butt of humor and the object of envy throughout Britain. Now, the local slump mirrors what has happened throughout the south of England as the boom in real estate, construction, retailing and financial and business services has gone bust.



# DSM Guarded On '92 After A Profit Slump

**Compiled by Our Staff From Dispatches**  
**HEERLEN, Netherlands** — The Dutch chemical concern DSM said Monday that its net profit had fallen 40 percent last year, to 516 million guilders (\$275 million), undermined by stagnation in its U.S. and British markets.

Revenue dropped 8 percent to 9.35 billion guilders.

DSM made no predictions for its business in 1992, noting that the first few months of the year had not brought a recovery of its principal markets.

Despite this, DSM maintained its dividend at 8 guilders a share. The government sold 68.7 percent of the stock of DSM, formerly Dutch State Mines, to the public in 1989.

Operating profit fell 42 percent to 630 million guilders last year. DSM said profit was also hit by price wars that cut into margins, by cheap chemical products from former East bloc countries and by an increase in the price of naphtha feedstock. (AFP, Reuters)

**Very briefly:**

- British Telecommunications PLC said it planned to cut 20,000 to 24,000 jobs by March 1993, reducing its work force by 10 percent to 12 percent; the statement followed press reports last week, which BT called "speculative," that the company would cut up to 25,000 jobs.
- Trustees were appointed to run the estate of the former chief executive of Polly Peck International PLC, Asil Nadir, who was forced into bankruptcy in June.
- Steeltek PLC called a revision by Rodland PLC of its hostile bid an illusory increase and continued to advise shareholders to reject the bid, which now values Rodland's offer at \$635 million (\$1.1 billion).
- DAG, Germany's white-collar union, said it planned token strikes in the public sector and other protest actions to back up its 1992 pay claim; a DAG board member said the first action would be in Berlin on Tuesday.
- British Sky Broadcasting said it broke even this month, 16 months after it was created through a merger, with estimated trading results for early March showing weekly operating profit of £100,000 (\$171,300). Reuters

# Air France Chairman Open To Idea of Privatization

**Reuters**  
**PARIS** — Bernard Attali, chairman of Air France, has said he would not be averse to a partial privatization of the state-owned airline.

"Heading one day to the partial opening of Air France's capital would not upset me personally," Mr. Attali said Sunday on French television. "But this question should not be asked of me; it should be asked of the government authorities, the shareholder."

France last year began selling stakes in some state-owned companies, retaining majority control. There has been no suggestion that it is considering doing so with Air France.

Mr. Attali said he had "high hopes" that Air France's plans for a cooperation agreement with the Belgian state-owned carrier, Sabena, would be approved by the new Belgian government.

He said the present 25 European airlines were far too many, and that the European industry was about to undergo a massive restructuring.

# JAPAN: Politicians and Business Scramble to Head Off Severe Recession

**(Continued from page 1)**  
 likely to be eroded much now, economists say.

In addition, few expect the very low unemployment rate of 2.1 percent to rise significantly. Japan's labor market has been tight for several years, and the shortage of unskilled workers has been filled by several hundred thousand illegal aliens. An economic slowdown is thus not expected to result in large numbers of layoffs or dislocations for the average Japanese.

"This could be severe for corporations, but not for individuals," said Yoshihisa Kitai, chief economist at Long-Term Credit Bank. "That's what makes this a little difficult to define."

Politicians from the governing Liberal Democratic Party are still alarmed about the economy because they face a tough set of elections in July. They have called for lower interest rates and accelerated government spending to spur expansion.

But more worrisome are signs that the slowdown coming just as the United States is recovering from a recession, could cause Japan's politically sensitive trade surplus to surge, as manufacturers look to overseas markets to make up for slow sales at home.

In February, for instance, exports were estimated to have risen 6.5 percent from a year earlier and imports slid 10.1 percent, producing a surplus estimated at nearly \$9 billion, 70 percent higher than in February 1991.

Economists are ratcheting up their forecasts for Japan's trade surplus for the year to well over \$100 billion.

That is precisely what President George Bush and Prime Minister Kiichi Miyazawa have sought to avoid; to this end, Mr. Miyazawa agreed during Mr. Bush's visit in January to move to ensure that the Japanese economy would grow by 3.5 percent in the coming fiscal year.

Most economists expect Japan to fall far short of that goal — a harsh turnaround for a country that generally counts expansion of less than 3 percent as a recession.

Kermit L. Schoenholtz, an economist in Tokyo with Salomon Brothers Asia, said the indicators were pointing to one of the deepest recessions in 20 years, largely because corporations had drastically cut their planned spending.

Salomon is expecting growth of only slightly more than 1 percent this year.

"The figures are worse than what most people expected," said Yoshihiro Suzuki, chairman of Nomura

Research Institute, who expects 2.2 percent growth.

The downturn could also constrict even further the flow of investment from Japan to the United States. The Japanese invested tens of billions of dollars in America in the 1980s, buying everything from Treasury bonds to real estate.

That flow was reduced last year, when the Japanese bought just \$5 billion of real estate, for instance, compared with \$13 billion in 1990.

To counter the drift of the economy, most analysts believe, the Bank of Japan will soon heed the calls for lower interest rates.

Shin Kanemaru, perhaps the most influential leader in the governing party, insisted that the prime minister should dismiss the Bank of Japan's governor, Yasushi Mieno, if he does not cut the official discount rate. It was last lowered in December, to 4.5 percent.

Industrialists, too, have begun issuing sour complaints.

Norio Ohga, president of Sony Corp., whose profits have been battered, said, "You can call the present slowdown a recession. Without pump-priming measures, the economy might plunge into a negative spiral."

And Gaishi Hiraiwa, chairman of Japan's most powerful business trade group, the Federation of Economic Organizations, called for a rate cut by the Bank of Japan and quick passage of the next fiscal year's budget so that accelerated government spending could begin.

The Miyazawa government has put forward a budget that includes heavy public spending, but it is bogged down in the legislature.

The boom began officially in November 1986, when Japan started its recovery from the shock of

the doubling of the yen's value against the dollar.

Japanese manufacturers responded with a surge in capital investment, aimed at lowering their production costs.

But now a depression in the stock market has made it far more expensive for corporations to raise capital and has begun to affect business confidence. A slowdown in spending has caused inventories of goods to back up in warehouses, leading to cutbacks in production.

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**INTERNATIONAL Herald Tribune**  
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# Thrift's Law Firm Settles for \$41 Million

By Stephen Labaton  
New York Times Service

WASHINGTON — Members of a leading New York law firm have agreed to pay \$41 million to settle government accusations that it had improperly withheld damaging information about its client, a large savings association whose failure has optimized the savings-and-loan industry disaster.

In settling the \$275 million suit the government filed last week, lawyers at the firm, Kaye, Scholer, Fierman, Hays & Handler, insisted again late Sunday that they did nothing improper in representing Charles H. Keating Jr. and his Lincoln Savings & Loan Association of Irvine, California.

They had been forced to settle, they said, by the government's move to freeze the firm's assets. The move, Kaye, Scholer lawyers said, had put the firm perilously close to collapse.

The government said Sunday evening that the settlement of the suit would "assume that the firm's activities that gave rise to the case are never again repeated."

The quick settlement, in which Kaye, Scholer neither admits nor denies the accusations, is expected to have a profound impact on a wave of lawsuits the government is preparing to file in the next few weeks against lawyers, accountants and savings executives from scores of institutions seized during a torrent of government takeovers in March 1989. The statute of

limitations on those cases runs out this month. Freezing assets is a tactic that the government has traditionally reserved for racketeering, drug and tax cases, when prosecutors fear that the defendants' assets might disappear. The bid to freeze Kaye, Scholer's assets was the first time the government had taken such a step in its prosecution of law and accounting firms that represented failed savings institutions.

"It's hard to understand why a freeze order was necessary," said Professor Harvey J. Goldschmid, who teaches corporate law at Columbia University. "This is a highly reputable firm with individuals who have substantial assets, and it's hard to see how everything would disappear in such a short time. If it's no more than a heavy-handed tactic meant to bludgeon settlement, then I think it may come back to haunt the government."

Professor John C. Coffee Jr., a professor of corporate and criminal law at Columbia, said the order freezing the firm's assets was reminiscent of the Justice Department's prosecution of a New Jersey securities firm that had strong ties to Drexel Burnham Lambert Inc.

In that case, the Justice Department froze the assets of Princeton/Newport Partners LP and accused it of racketeering, tax fraud and securities violations. The firm collapsed shortly after its assets were seized. Last year a federal appeals court reversed the convictions against all but two of the partners in the firm, and in

January the U.S. attorney's office in Manhattan announced that it would not retry the cases.

The lawsuit against Kaye, Scholer was filed last Monday by the Justice Department and the Office of Thrift Supervision, the agency that oversees the savings industry. The government has not fully explained why it sought to control Kaye, Scholer's assets.

The Office of Thrift Supervision has said, without elaboration, that the firm had threatened to reduce its insurance coverage and thus make it more difficult for the government to collect on a judgment. Harris Weinstein, the thrift office's chief counsel, has declined to elaborate or explain why a law firm would want to reduce its insurance coverage, which would only increase the liability of each of the firm's partners and put their personal assets at risk of being taken by the government.

Under the settlement, Peter M. Fishbein, who is a senior partner at the firm and was managing partner until 1990, and another lawyer, Karen E. Katzman, agreed to be barred from representing any savings associations and banks that carry federal deposit insurance. A third partner, Lynn Toby Fisher, consented to the most modest version of agreeing not to commit future violations.

The firm also agreed to have lawyers representing its banking and savings clients be supervised by a partner with at least 10 years experience in the field.

## NEWS: East German Readers Have No Time for Die Zeit, No Eye for Bild

(Continued from first finance page) phazised a flood that swept a Berlin neighborhood after a water main burst.

An unanswered question is whether readers' tastes will gradually unify as living standards rise in the east. One indication that they will can perhaps be seen at Super, an East German paper whose success is predicated on the continuation of differences.

Started last year by the Burda publishing group of Munich and Rupert Murdoch's News Corp., Super parlayed a brass mix of sex, East German boosterism and circulation of West Germans into a circulation that soon reached 500,000, overtaking Bild in much of the east.

But Peter Barfels, the 48-year-old former Bild deputy editor who is now editor of Super, concedes that circulation fell this year to

about 300,000. He attributes the drop to an upsurge in unemployment and a price increase to 40 pfennig, or about 25 cents, from 30 pfennig. Still, some see the slump as an omen of things to come.

One paper that seeks success in minimizing the differences is BZ, a Berlin tabloid owned by the Springer concern, whose editor, Claud Larass, sees little future for papers like Wochenpost and Super

as the interests of Germans in the east and west merge. BZ now runs two news pages that differ from east to west, compared with six or seven a year ago. Of its circulation of 350,000, about 70,000 to 80,000 copies are sold in the east.

But Mr. Larass believes the time is fast approaching when West German newspapers and magazines will find readers in the east.

## NYSE

Monday's Closing  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

High	Low	Stock	Div	Yield	PE	High	Low	P.A. O.P.
117 1/2	117 1/2	IBM	3.90	3.3	13.1	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	AT&T	2.70	4.2	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	GE	1.00	4.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Merck	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Boeing	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Johnson & Johnson	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Walmart	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Target	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Home Depot	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Costco	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Walgreens	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	CVS	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
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117 1/2	117 1/2	Walgreens	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	CVS	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Wal-Mart	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Target	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Home Depot	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Costco	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Walgreens	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	CVS	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Wal-Mart	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Target	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Home Depot	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Costco	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Walgreens	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	CVS	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Wal-Mart	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Target	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Home Depot	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Costco	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Walgreens	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	CVS	1.00	3.8	11.9	117 1/2	117 1/2	117 1/2
117 1/2	117 1/2	Wal-Mart						



# Munich - Europe's New Hub

## Airport Will Boost Local Economy

Even before it was finished, Munich's new airport was a major economic factor in Bavaria as well as throughout Germany.

Some 273 Bavarian and 58 other companies participated in building the facility; 20,000 people will work at the airport itself, and another 80,000 will eventually be employed by related facilities in the region.

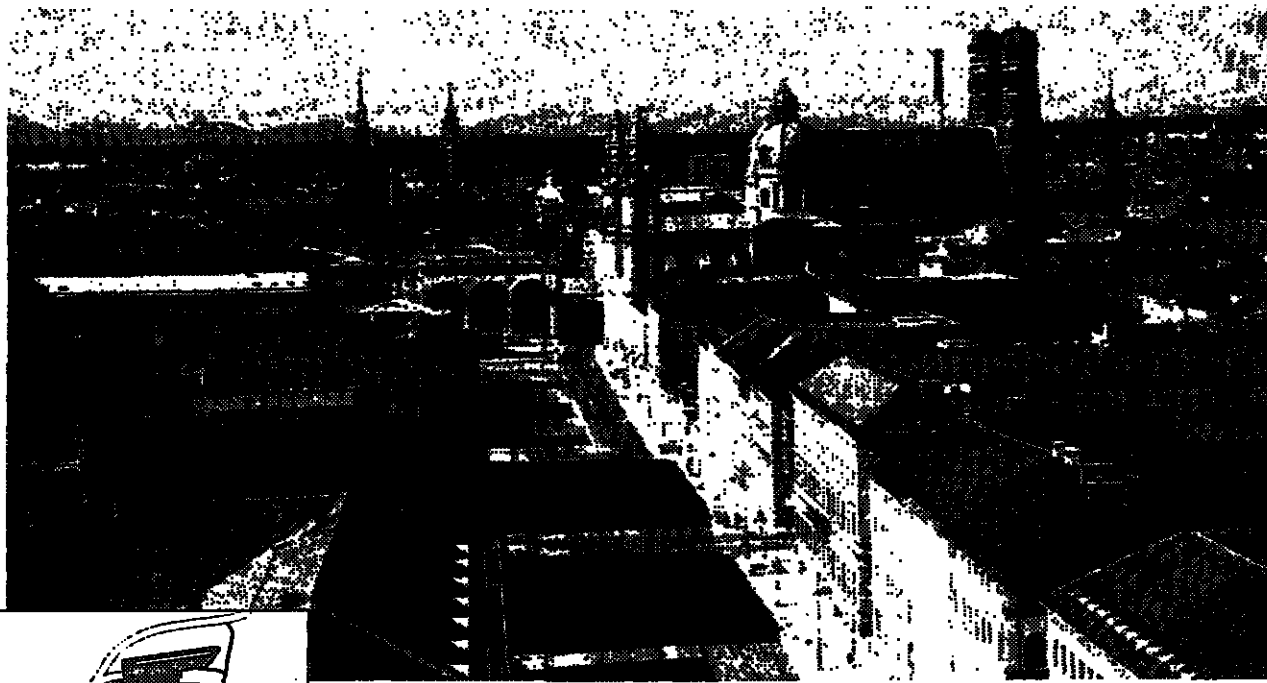
While welcoming the ongoing development of Munich's north side and the advent of such ancillary enterprises as hotels and transport companies, the state government is taking special pains to steer the inevitable growth that will be linked to the airport into the proper channels.

"The one thing we don't want is an economic monoculture around the airport," says August Lang, state minister for economics and transport. His ministry has formulated a plan detailing how a healthy balance between residential and commercial values will be maintained in the future development of areas near the airport.

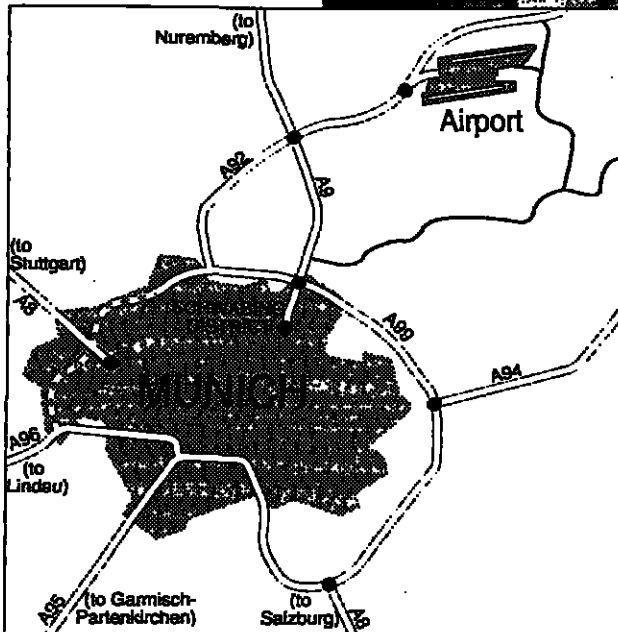
Regensburg, Landshut, Passau and other east Bavarian communities in the vicinity of the airport were once economic backwaters. Now, however, they will boast sophisticated new facilities operated by such companies as Siemens, BMW and Hitachi, all located less than an hour away from the new airport.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Terry Swartzberg, a business journalist based in Munich.

*Downtown Munich: New developments near the airport will be linked to Munich's economy as a whole, according to government officials.*



GERMAN NATIONAL TOURIST OFFICE



## How to Get There

**By express railroad:** Every 20 minutes (starting at 3:20 A.M.) a train leaves Munich's main train station (Hauptbahnhof) for the airport. The cars of S-Bahn Line 8 are easily recognizable: they are blue and sport a big "M" and the words "Airport Line." Line 8 takes 38 minutes to get from the train station to the airport. Last train back to the city: 12:55 A.M. Cost: 10 Deutsche marks (around \$6). Baggage check-in is possible at the main train station or upon arrival at the airport. In Munich's northern and eastern suburbs, shuttle buses connect the airport with S-Bahn Line 1 (Freising) and Line 6 (Erding).

**By automobile:** The airport is located some 28.5 kilometers (18 miles) northeast of downtown Munich. Take autobahn A9 north (towards Nuremberg) until it joins autobahn A92. Turn east, toward Freising, and then follow the signs to the airport. These autobahns are often congested, so allow between 30 and 45 minutes. Plenty of parking is available at the airport: the modern parking lots can accommodate 10,000 automobiles.

**Automobile rental:** all major international and German chains are on hand at the "Rent-a-Car Center." Some 1,900 vehicles are stationed at the airport. Taxis are expensive. A trip from downtown Munich to the airport can cost around 90 Deutsche marks.

## A New Role for Bavaria

August Lang, 63, became the state's minister for economic affairs and transport in 1988. Here he discusses the new airport in the context of other developments in Bavaria.

*This year seems to be shaping up as the year of Bavarian infrastructure, with the completion of the new airport and of the Rhine-Main-Danube canal linking the North and Black Seas.*

That is correct, along with Munich's new freight and container train station, the opening of new transport links between Bavaria on one hand and

Eastern Europe and the new states of Eastern Germany on the other, not to mention a variety of improvements within the state. One thing we're proud of is the introduction of a new way to finance regional public transportation, one which divides the burden among communities and the state and federal governments, with the communities contributing a proportionally smaller share.

Your ministry has compiled an ambitious list of possible future transport projects, ranging from a tunnel under the Alps to widening the autobahn between Nuremberg and Berlin. Were you to be granted one wish, which project would you want to see realized first? My choice would be a



*August Lang, Bavaria's minister for economics and transport, one of the major supporters of the airport development.*

magnet-levitation monorail running from Munich to Berlin. Who stands to benefit most from the new airport? The positive effects of the airport will be felt

throughout Bavaria. And one thing has become apparent over the past year or so: Bavaria has an important role to play as a provider of essential services to its eastern neighbors.

## Germany's Brand New Point of Entry

On May 17, Europe's newest airline hub will begin operations, and competition for seats on planes landing in Munich that day is fierce, reports Willi Hermsen, managing director of the airport authority.

Summer 1992 will bring many more flights to and from Munich: increases of 17 percent to domestic destinations, 13 percent to European cities and 4 percent to intercontinental routes.

The 12 million people expected to use the airport in its first year of operation will probably not even notice the increased num-

## Airfreight is expected to triple

ber of flights, except in the sudden abundance of direct flights from Munich to Italy and other points in southern Europe, as well as to the Far East and other international destinations.

For travelers whose flights originate in such "feeder" airports as Nuremberg, Dresden and Hannover, Munich will become their point of transfer. For Indonesians, Kuwaitis, West Indians and North Americans, Munich's gleaming glassed-in halls will become their point of entry to Germany.

Although dozens of international carriers (including 11 new to Munich) are behind the various improvements in passenger services offered by the new airport, Lufthansa, Germany's flag carrier, is playing a key role. "Munich is to be our second major base of operations," states a spokesman for the airline, which has committed several hundred million Deutsche marks for the upgrading of company operations in Munich.

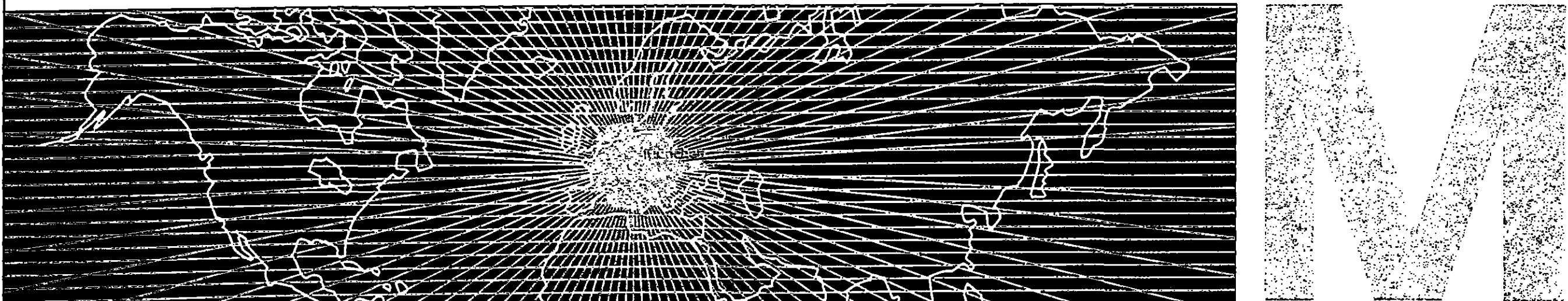
By the end of 1992,

some 4,400 Lufthansa employees will be working in Munich at the carrier's own freight-processing and aircraft-maintenance facilities (the former set to handle 250,000 metric tons of freight a year, the latter able to hold six Boeing 747-400s simultaneously), staffing its Flight Operations Center, or checking in passengers for 855 direct and 1,307 transfer flights a week (compared with current totals of 725 and 609 respectively).

No sector of air travel has grown more explosively in recent years than airfreight, which has doubled over the past decade, and no part of Munich's old airport (Munich-Riem) was more clogged than its freight area, a random assemblage of halls and multipurpose buildings.

Bavaria is heavily dependent on quick deliveries since its economy is oriented toward producing such high-value, low-weight items as computer chips and medical lasers. The Munich Air Cargo Center (MACC) will therefore have an immediate, highly visible impact on the local economy.

Munich-Riem handled 85,000 metric tons of airfreight last year; Munich's new airport is projected to triple that figure within a few years, eliminating the lines of trucks that once drove past Riem on their way to more efficient airports. The MACC is expected to set new standards for freight processing turnaround times, thanks to its computerized storage facilities with room for 100,000 metric tons of freight.



# Munich's new airport: Non-stop. On line.

59 scheduled airlines link Munich's new airport to cities worldwide, providing a total of more than 3,100 non-stop flights. The airport is located some 28 kilometres - or a bit more than 30 minutes - to Munich's northeast.

There are direct connections by either highway or railway. Through its innovative, high-access design, the airport can quickly and easily handle an initial 14 million persons and 250,000 metric tons of freight a year.









Hanoi Drafts Oil Law for Rash of Bids

HANOI — Vietnam, a newcomer to petroleum production, is drafting an oil law to help it cope with the rash of foreign companies bidding for its offshore blocs.

The plan also describes the royalties, taxes and charges that PetroVietnam and foreign companies producing crude oil would have to pay to the Vietnamese government.

The PetroVietnam chairman, Truong Thien, said in a speech at the seminar that the law would embody Hanoi's new policy to encourage foreign investment.

Vietnam has signed 11 production-sharing contracts with companies from Australia, Belgium, Britain, Canada, France, India, Malaysia, the Netherlands and Norway, but wants a better legal framework for future deals.

Hanoi agreed in principle in January to grant concessions from Europe, Japan and South Korea exploration rights on five mapped southern offshore blocs.

In addition, nine foreign companies are bidding for exploration rights on Dai Hung, Vietnam's biggest oil field.

The draft proposes royalty payments ranging from 6 percent on production of up to 15,000 barrels per day to 20 percent on output of 50,001 to 75,000 barrels.

PetroVietnam and foreign oil producers also would be required to pay a tax of 50 percent on net profit from their petroleum operations.

Singapore Cuts More Taxes

SINGAPORE — Singapore's Finance Ministry said Monday that rates of some income taxes including presidential tax and dividend tax, would be reduced starting in the 1993 assessment year, in step with a reduced corporate tax.

Last month, Finance Minister Richard Hu proposed in his budget speech that the corporate tax be reduced by one percentage point to 30 percent in the 1993 assessment year.

The Finance Ministry's statement said the tax on the chargeable income of nonresidents would be reduced to 30 percent from 31 percent.

Withholding tax on interest paid to a person not known to the payer to be a Singapore resident will also be cut to 30 percent from 31 percent.

The tax on dividends paid on or after Jan. 1, 1992 for a company resident in Singapore will be reduced, as well, to 30 percent from 31.

The statement said societies, clubs and associations now pay tax rates of 6 percent for the first 2,500 Singapore dollars of chargeable income to 55 percent for income in excess of 100,000 dollars (\$60,500).

The effective rate of tax imposed will be reduced to 30 percent from 31 percent from 1993 so as to ensure that those who are taxed will not need to pay at more than the corporate rate.

China Plans Tougher Collection

BEIJING — China, faced with growing budget deficits running to billions of dollars, plans to get tough with tax evaders and introduce innovations such as sales tax and inheritance tax, the official media said on Monday.

China's budget deficit was targeted at 13.35 billion yuan (\$2.5 billion) in 1991, after hitting 15.04 billion yuan in 1990. But official planners now say the real 1991 deficit is nearer 20 billion yuan.

The deficit is worse — close to \$10 billion — under International Monetary Fund calculations, quoted as saying. He did not give a timetable for the changes.

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U.S.-Japan Rice Dispute Starts Bubbling Again

TOKYO — An exhibition of American rice in Tokyo next month may force a new eruption of the long-running farm-trade confrontation between the United States and Japan.

The United States plans to exhibit samples of rice despite a Japanese ban on imports, and despite an incident last spring when the USA Rice Council withdrew samples of American rice from a food exhibition here after Japanese officials said showing the rice violated the Food Control Law.

"The show is to educate Japanese consumers about the many types of rice available in the U.S.," said James V. Parker, an agriculture official at the U.S. Embassy in Tokyo, at a news conference at Japan's Agriculture Ministry. "We have no rice to sell at the show."

But the deputy minister of agriculture, Yoshihiro Hamaguchi, told reporters: "The basic stance of the Japanese government is the same as last year. The U.S. should follow the existing rule."

Japan argues that rice self-sufficiency is a national security matter. U.S. officials are hopeful the ban on imports will end soon, and that Japan will apply a GATT proposal to convert such barriers to tariffs.

"After a successful Uruguay Round, the Japanese rice market will be open. Business can begin at that time," Mr. Parker said.

Hong Kong Gains Exxon's Confidence

By Laurence Zuckerman International Herald Tribune HONG KONG — Casting a vote of confidence in Hong Kong's future, Exxon Corp. pledged Monday to invest in a \$6 billion Hong Kong dollar (\$7.74 billion) upgrade program by an electricity-generating venture in which it owns a majority stake.

Hong Kong officials said the agreement was shown to mainland authorities and had received their approval with no major revisions.

"We have found the authorities to be cooperative and understanding," Mr. Clancy said. "We are satisfied that the post-1997 business environment will enable us to secure the future prosperity of the enterprise."

In another development, Sir William said China Light would sign a provisional agreement this week with Chinese authorities to purchase natural gas from a proposed 800-kilometer (500-mile) pipeline that will stretch from the waters off Hainan island in the South China Sea to Hong Kong by 1996.

The pipeline, which is to be built by a consortium of China National Offshore Oil Corp., Atlantic Richfield Co. and Kuwait Foreign Exploration Co., will help fuel Exxon and China Light's planned 6,000 megawatt power plant at Black Point in the New Territories.

Exxon Energy holds a 60 percent share in three power companies operated by China Light & Power Co., the Hong Kong utility company that holds the remaining 40 percent. The companies provide three-fourths of the colony's electricity, with operations in the mainland districts of the New Territories and Kowloon.

Mr. Clancy's comments came before Exxon and China Light signed a 15-year operating agreement with the Hong Kong government that commits the partners to Hong Kong until 2008, well after the colony's return to China in 1997.

Under what is called the scheme of control, profits of the de facto monopoly are limited to roughly 15 percent of the partners' fixed assets, less depreciation.

Sir William Stone, managing director of China Light, said the partnership would place 60 billion Hong Kong dollars over the next 10 years in a series of investments that would double Hong Kong's power-generating capacity, to 12,000 megawatts.

In addition, the agreement allows the partnership to retain 20 percent of sales of excess generating capacity to China. This amounted to \$116 million last year and is increasing as China strains to meet the power demands of its fast-developing coastal regions.

Those sales, along with other excess profits, currently go into a development fund that helps finance new assets, while a portion of the interest is passed on to consumers.

Bond Closer To Bankruptcy

Compiled by Our Staff From Dispatches SYDNEY — Alan Bond, the fallen entrepreneur, moved closer to bankruptcy Monday as creditor banks chasing \$194 million petitioned the Federal Court to appoint a trustee to his estate.

Mr. Bond, 53, is deemed to have committed an act of bankruptcy after failing to pay the debt by a March 6 deadline.

Mr. Bond plans to appeal to the full bench of the Federal Court on Thursday. The banks, led by Hongkong & Shanghai Banking Corp., were able to apply for seizure of his assets after Mr. Bond's last appeal was dismissed last week.

(AFP, Reuters)

10 Trillion Yen In Dud Loans For Real Estate

Agency France-Presse TOKYO — Japanese banks' outstanding nonperforming loans to the volatile real estate sector may have exceeded 10 trillion yen (\$77 billion) last year, a senior analyst at Nomura Securities Co. said Monday.

Hirotaki Akimoto, manager of Nomura's institutional research and advisory department, said that in addition to the real estate loans, bad loans to nonbank financial institutions were estimated at around 5 trillion yen.

Nippon Trust Bank, an affiliate of Mitsubishi Bank, has the biggest exposure, with 26.3 percent of its outstanding loans to the real estate sector, followed by Nippon Credit Bank with 20.2 percent.

Investor's Asia table with columns for Hong Kong, Singapore, and various indices like Hang Seng, Straits Times, Nikkei 225, etc.

Very briefly:

- Foster's Brewing Group Ltd.'s chief executive, Peter Bartels, reportedly resigned on Friday, according to executives. Australian press reports, which cited speculation of a dispute about dividends with Asahi Breweries Ltd., 19.9 percent owner of the Australian brewing concern.
Exxon Coal & Minerals Australia Ltd. plans to shut its Lenington underground coal mine in New South Wales in July because of weak prices, rising costs and low production, but it will expand open-pit operations and boost annual output to 2.7 million metric tons from 2.4 million.
Iskold Iron Works Co. of Japan is considering the establishment of a plant in the Philippines to produce construction materials for the Japanese market, the Business Star newspaper reported from Manila.
NEC Corp. is leading a new Indonesian joint venture, PT NEC Nusantara Communications, which will make and sell telephone switching systems; NEC owns 45 percent; PT Elektrindo Nusantara, 25 percent; Smitoneo Corp., 20 percent; and PT Hampus, 10 percent.
Nippondenso Co., a Japanese auto-parts maker affiliated with Toyota Motor Corp., said its net profit fell 3.7 percent in 1991, to 60.8 billion yen (\$461.1 million), and sales dropped 2 percent, to 1.48 trillion yen.
Honda Motor Co. said it was close to an agreement under which the Romanian government's Rentas Auto Service would act as its import and sales agent.
Marubeni Corp. and Fuji Electric Co. of Japan, along with a Canadian affiliate of ASEA Brown Boveri Ltd., received an order to supply 35 billion yen of equipment for a coal-powered power plant in Thailand.
Coca-Cola Co. plans to return to the Indian market next year, after a 15-year hiatus, thanks to liberalized economic policies.
Reuters, AFP, AP.

Large financial table with columns for various international funds, including categories like International Funds, Other Funds, and specific fund names with their respective values and performance metrics.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 52 12.



# SPORTS AMERICA'S CUP

## America3's Koch: To Many, He's Darth Vader of the Seas

By Barbara Lloyd  
New York Times Service

SAN DIEGO, California — As the Italian yacht II Moro di Venezia competed in an America's Cup trial race last month, an odd-looking object floated into view.

It was a buoy about four feet (122 centimeters) square, with a beacon suspended in the middle of four floats. An unsuspecting boater might have seen it as an object from outer space. But the Italians knew better.

"I could see that it wasn't a normal lobster pot," said Paul Cayard, the skipper of II Moro di Venezia. "It went by about 10 feet to leeward of us. I pointed it out to the race umpires, who picked it up and took it into shore."

The object turned out to be a current buoy, a device set out by Bill Koch's America3 syndicate to transmit the flow of the current in the race course, as part of an effort to assess the performance of other boats in the America's Cup preliminaries.

America3 is one of two yachting syndicates from the United States — Dennis Conner's Stars & Stripes is the other — vying here for the right to defend the cup in May.

The beacon is part of an elaborate monitoring system Koch is using to try to get information about, and thus an edge on, his rivals.

Aside from the buoy, the system includes Koch's 28-foot spy craft, the Guzzini, complete

with smoke-black windows and monitoring equipment, and a delivery truck with electronic equipment inside that is stationed on a San Diego hilltop.

Koch's team has also commissioned a helicopter to fly over the race course in what amounts to a yachting version of an espionage mission.

Koch is a multimillionaire businessman from Palm Beach, Florida, who took up yachting seriously about eight years ago. He inherited an oil fortune from a family industry, which is based in Wichita, Kansas. He founded the America3 campaign, which has a budget of \$55 million, \$40 million of which Koch is paying out of his own pocket.

The information to be learned from such spying efforts includes the potential boat speed of the other yachts, as well as what the boats' secret keels look like. A view from a helicopter often reveals underwater shapes that can't be seen any other way.

In a sport commonly regarded as a gentlemanly endeavor, Koch's activities are being regarded by his peers as high-seas intrigue more suited to a Tom Clancy novel than the world's most prestigious yacht-racing competition.

And they have intensified the debate among yachtsmen over how far one can go with tactics that are considered unsportsmanlike but not illegal.

"Purely, he's stepping across the line on good sportsmanship," said Peter Gilmour, the skipper of Spirit of Australia, one of eight international yachts vying to be the challenger in May.

"I think Koch doesn't realize that he's polarized all the challengers against him," Gilmour said. "The challengers are so focused to prove ourselves, to show on the water that we can beat the defenders."

Koch contends his rivals are just "whining." He does not intend to stop gathering information on his competitors, which he says is "all part of the game," and has challenged them to formally protest under international rules governing fair play.

Koch's America3 boat has consistently outperformed Conner in the defender trials, and many believe Koch's success has made him arrogant.

"I think he's like a poor little rich boy," said Ernie Taylor, executive director of the Challenger of Record Committee, the group that represents the eight challengers. "He's got a boat beating Dennis so he figures he's got money in the bank. He's ahead now, so he can be arrogant."

The challengers have objected to the Koch team's tactics for months. Last Tuesday, the Coast Guard met with challengers and defenders to discuss on-the-water activities.

All but Koch's syndicate agreed that intelli-

gence gathering had gone beyond acceptable limits, Taylor said.

Koch's actions may be unsporting but they are not illegal, and as such they pose a problem for the challengers' committee.

"Unfortunately, in simple terms, it's legal," Taylor said. "I guess if you're off the three-mile coastal limit, you can throw things in the water. But this is unusual. It's never been done before. It is one giant step forward in technological inquisitiveness."

The Guzzini, the America3 syndicate's spy boat, is so sinister that Darth Vader of Star Wars infamy might be expected to be on board.

In addition to its smoke-black windows, the powerboat is loaded with antennae and other technological equipment on deck. It moves around the sailboats like a hawk in search of prey.

On one occasion, Guzzini moved in too close to II Moro during a race, said Cayard. Last December, challengers and defenders agreed to keep their yacht tenders at least 200 yards (183 meters) away from the racing boats. Guzzini was within 126 yards of II Moro, Cayard said.

Koch, who makes no attempt to disguise his intentions, has criticized Cayard for complaining about the interference.

"We take high-resolution pictures from way up in the air, bring them back and have a computer analyze them," Koch said last week.

"You can't stop or police that. That's all part of the game."

In fact, most of the cup syndicates have hired helicopters at one time or another to see what the competition is doing. A view from the air unlocks many secrets, including coveted views of other boats' underwater appendages.

Spying is not new to the America's Cup. In 1983, Australian yachtsmen apprehended a Canadian diver swimming around the Australians' docks in Newport, Rhode Island. The diver wanted a peek at the secret winged keel of Australia II, the boat that went on to win the America's Cup that summer.

Much was at stake. By winning, the Australian team broke the 132-year-old winning streak of the New York Yacht Club, and Australia gained the right to stage the event.

In 1992, the money at stake has multiplied exponentially. And with a new class of America's Cup racing boat — 75-foot sloops whose design complexities dwarf their 12-Meter predecessors — the secrets to be learned, or stolen, have increased also.

"This is international competition on a huge level," Koch said.

Koch has invited Cayard and others to protest to an international jury that decides America's Cup race disputes. "Let them put their money where their mouth is, or shut up about it," said Koch.

Cayard has refused to respond to Koch's ultimatum. Among his own concerns, said Cayard, is maintaining II Moro's third-place standing behind New Zealand and Nippon in the challengers' trials, now in their third round.

Also, Cayard is not racing directly against Koch. The America3 boats are competing in the separate defenders' trials. "The idea of proceeding with a protest against a guy you're not racing against is not logical," Cayard said.

Meanwhile, Conner, who is the defending champion cup skipper, has chosen to ignore the controversy. "There is a norm of how most people would play this," he said. "I don't get too excited, or fuss over this, because until you have actual proof that someone broke the rules, there is nothing you can do about it. It's just all talk."

Koch contends that he is not the only one who has pushed the limits of propriety.

"Sure, I think it's unethical," he said. "And I think it's illegal to plant moles in other peoples' organizations, which the challengers have done to us. I think it's illegal to break and enter, and to try to bribe people to get plans for the boats. You can't legislate morality. You have to have people who will abide by their own sense of duty, and then those who don't, get caught and thrown in jail."

Taylor said the challengers' committee has discussed several plans to deal with America3's approach, and has a potential solution for dealing with floating beacons:

"We might start picking up the litter — for a nice litter-free ocean," said Taylor, "and not return it."

## Nippon Edges II Moro to Tie for Lead

Compiled by Our Staff From Dispatches

SAN DIEGO — Nippon has defeated II Moro di Venezia by five seconds to gain a first-place tie with New Zealand in the America's Cup challenger selection series.

The Japanese-Italian race Sunday, on the second day of Round 3 for the challenger fleet, was the closest of the series being contested off Point Loma.

II Moro, which dropped into a third-place tie with Ville de Paris, filed a protest because the race committee had placed one of the course marker buoys in the wrong spot.

The jury overseeing the challenger trials denied the protest, saying the marker was in the same location for both boats and did not put the Italians at a disadvantage.

New Zealand easily defeated Espana '92 by 17 minutes, 46 seconds, and Ville de Paris took advantage of shifty winds to turn a 37-second midrace lead over Tre Kronor into a record-setting 22:32 victory over the Swedish yacht.

But the most unlikely victor of the day was Challenge Australia,

which beat its cousin, Spirit of Australia, by 2:45 for its first victory in 16 races.

In the defender trials, America3 downed its older stablemate, Defiant, twice in a doubleheader sailed on shortened courses.

America3 received points for just one victory, however. The America3 Foundation yachts were scheduled to sail three short races to give the crews more opportunity to practice starts, a race official said.

Spirit of Australia is virtually out of the competition after its loss to Challenge Australia, which also has little more than a mathematical chance of making the semifinals. This would be the first time since 1970 that Australia has not been in the finals of a multinational America's Cup.

The top four boats at the end of this third round-robin series will advance to the semifinals. The challenger winner will take on the top American yacht in the America's Cup.

"We're devastated," said Spirit's skipper, Peter Gilmour. "We're obviously very upset that throughout

all three round-robins we haven't gotten the performance we would have liked."

Sunday's "upside-down" breeze played havoc with the race courses, shifting 110 degrees from a southeasterly 10 knots at the start to a southwesterly eight knots by mid-afternoon.

Nippon capitalized on a favorable shift of the fickle winds early in its race to overcome a six-second deficit at the start.

But as the yachts headed downwind on the second leg, Nippon's spinnaker blew apart in the shifting nine-knot winds. A new spinnaker was hoisted but it apparently caught on the rigging and was also blown to pieces. By the time Nippon got back up to speed, a lead of 1:05 had shrunk to eight seconds at the second turn.

Skipper Chris Dickson had again stretched his lead over II Moro to 1:38 at the end of the seventh leg of the eight-leg, 20.03-mile (32.23-kilometer) course. But again II Moro, picking up a favorable breeze on the 2.7-mile run to the finish, closed and was within a boat length

of the 75-foot (22.8-meter) Japanese sloop at the finish line.

"It was a function of the weather that enabled II Moro to keep coming back," Dickson said. "Winning certainly didn't come easily, but five seconds will do."

II Moro lost to Nippon in the first round after a marker buoy had been relocated and the crew failed to take note of the change.

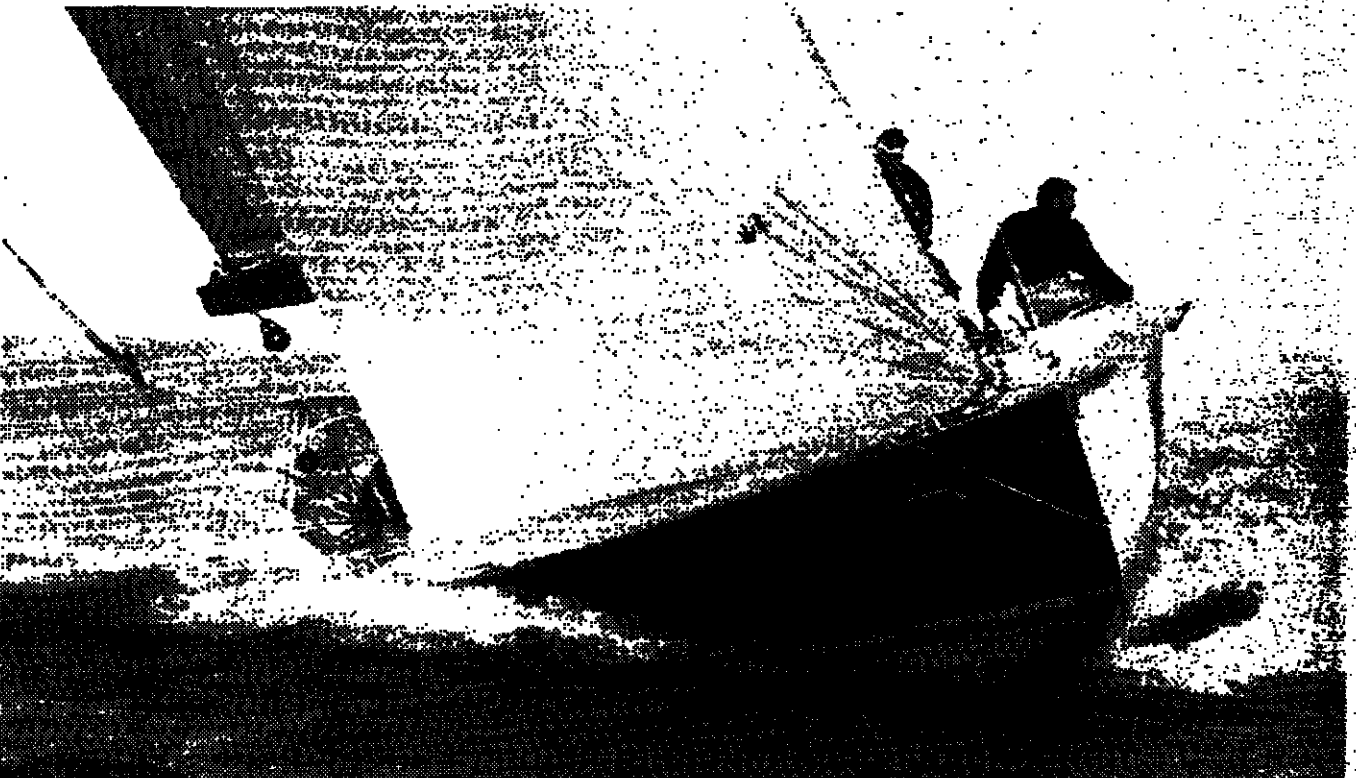
"We missed the mark that was in the right place. This time we were able to find the mark in the wrong place. At least we improved," II Moro's crew coordinator, Enrico Chieffi, said with a smile.

In the second round, the II Moro-Nippon match, won by II Moro, was resailed after a marker buoy broke loose and began drifting away from the course. (AP, UPI)

The points standings:

Challenger Selection Series (after eight races in Round 3) — New Zealand and Nippon, 42; II Moro di Venezia and Ville de Paris, 37; Espana '92, 22; Spirit of Australia, 11; Challenge Australia, 8; and Tre Kronor, 5.

Defender Selection Series — America3, 32; Stars & Stripes, 11; and Defiant, 8.



Ville de Paris, rounding the mark in shifty winds, turned a 37-second midrace lead over Tre Kronor into a record-setting 22:32 victory.

### CHESS

By Robert Byrne

JUDIT POLGAR became the youngest grandmaster ever by winning the Super Championship of Hungary in December. She showed her skill with a gambit against Attila Groszpetter.

The objective of 6...Bd7 in the Richter-Rauzer Variation of the Sicilian Defense is to get a counterattack against the enemy queen's side. But after 7 Qd2 Rb8 8 f4 N4d4 9 Qd4 Qa5 10 e5, Black cannot play the thematic sacrifice 10...Rc3 because 11 bc Ne4 12 Qe4! Qc3 13 Kf2 Qa1 14 Bb5! Qc3 (14...Qh1? falls into 15 Qb7 f6 16e6! with unstoppable mate) 15 Bd7 Kd7 16 Qb7 Qc7 17 Rb1! forces the removal of queens and thus wins a pawn.

In a Ferdinand Hellers-Emory Tate game, Philadelphia 1990, black blundered with 11...Bc6? and dropped a piece to 12 b4! Qc7 13 cf.

White: POLGAR/WHITE  
Black: GROSPETTER/BLACK

Position after 22... Qf5

Polgar's direct developing move, 13 Bc4?, is apparently new. White will build up her forces to the maximum before beginning an attack on the king. After 13...Nd7 14 Rb1 h6 15 Bd2 Qc5, an exchange of queens would yield Black a safe endgame. Accordingly, Polgar chose to venture a promising speculative gambit with 16 Qf4 g5 17 Qf1 Bg7 18 h4 Nc5 19 Bb3.

Groszpetter would not have done any better with 16...Bc7. Because 17 Qd4 Kf8 18 Be1 f6 19 Qe6 produces an onslaught that could not have been withstood. For illustration, there is the disaster that results from 19...Kc8 20 Qg6 Kd8 21 e6!

In place of Groszpetter's immediate 19...O-O, he would have been better advised to play 19...gh. After 20 Ne4 Bd4 21 Re4 O-O 22 Rf4 (22 Bb4 Qc6 23 Qe2 Rf8 24 Rd8 Rb8 25 Re5 Be5 26 Qe5 Qg2 will let Black turn the tables) the white attack is slower in coming.

After 22 Qh5, Polgar threatened the shattering 23 Rb6! Against 22...Qf5, she struck a powerful blow with 23 e6! Groszpetter could not play 23...Qf3 because 24 Rf1 Qg3 25 Bg5 leaves Black

helpless against the looming mating attack.

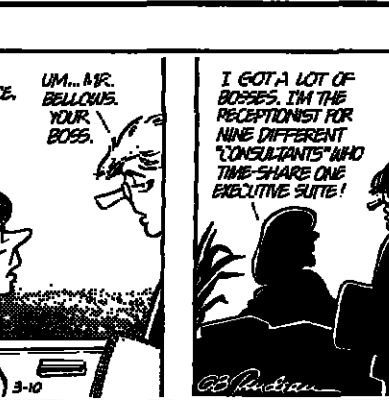
His forlorn 23...Qf6 24 Bg5 Nf4 let Polgar win a piece with 25 Qh4 Qg6 26 Bf4. The battle was really over at this juncture, yet Groszpetter, unwilling to admit defeat, beat the dead horse with 26...b5.

The maneuver with 29...Bf3 and 30...Bh5 made matters worse in giving Polgar the opportunity to transport a rook to the attack with gain of time. After 34 Rg6!, there might have followed 34...f6 35 Be6 Rf7 (or 35...Kh7 36 Rb1) 36 Ng5, which brings about devastating material loss for Black. Groszpetter gave up.

SICILIAN DEFENSE

White	Black	White	Black
Polgar	Groszpetter	Polgar	Groszpetter
1 c4	c5	18 h4	Qe5
2 Nf3	d6	19 Bb3	0-0
3 B4	cd	20 hg	hg
4 Nd4	Nf6	21 Qc2	Ng6
5 Ne3	Nb6	22 Qh5	Qf6
6 Bg5	Bd7	23 B4	Qf6
7 Qd2	Rc8	24 Bg5	Nf4
8 f4	Nd4	25 Qh4	Qg6
9 Qd4	Qa5	26 Bf4	b5
10 e5	e6	27 Qh5	Qh5
11 O-O	0-0	28 gh	h5
12 O-O-O	0-0	29 Bf3	Bf3
13 Be4	Nd7	30 Rd3	Bh5
14 Rb1	h6	31 Rg3	b4
15 Bd2	Qc5	32 ab	ab
16 Qf4	g5	33 Nf4	Bg6
17 Qf1	Bg7	34 Rg8	Resigns

### DOONESBURY



### DENNIS THE MENACE



### JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DESTE  
PLUIT  
YAIWAR  
CHUNQE

Answer here: \_\_\_\_\_ A \_\_\_\_\_

Yesterday's Jumbles: FLYBY ODUM ENOUGH ISLAND  
Answer: He was so happy, he pulled down the shade every time he changed... HIS MIND

### JUMBLE

ANY SKINKS OUT THERE?

Now arrange the circled letters to form the skink's name, as suggested by the above cartoon.

Answers tomorrow

### BOOKS

#### BARCELONA

By Robert Hughes. 573 pages. \$27.50.  
Alfred A. Knopf Inc., 201 East 50th Street, New York, N.Y. 10022.  
Reviewed by Colm Toibin

BARCELONA is a Catalan city. The Catalans view themselves as more modern, progressive and European than the rest of Spain. They dislike bullfights and flamenco, for example, and they are proud that their language, Catalan, is closer to Latin than is Spanish and has almost no Arabic influences. Catalans believe in hard work and profit; their manners can be reserved, even gruff.

After decades of being ruled directly from Madrid, Catalonia, along with certain other regions of Spain, now enjoys a fair degree of autonomy. Romantic nationalism and the idea of a rich heritage have been immensely important in shaping Catalonia.

The sheer fragility of their nation and its institutions makes the citizens of Barcelona perhaps over-defensive, over-protective and too proud. But they have also been industrious. They have spent the 16 years since the death of Franco trying to improve Barcelona in every possible way.

Robert Hughes's book is authoritative, carefully researched and full of insights into the city's heritage. He has clearly immersed himself in Catalan culture and language, and he remains intrigued by the strangeness of it. There is no single volume in either Catalan or Spanish that approaches this book in scope or detail.

Hughes has a firm grasp of politics and economics in Barcelona in the 14th century to place the building of the great Gothic churches in a context. He has clearly done his time in the libraries and the archives, trying to make sense of a difficult and often chaotic history.

But he is at his best when he ventures out. There is a real feeling in his book that he has been looking at Barcelona, standing in the churches or the squares observing, and when he writes about what he sees he can be marvelous. Mostly, he keeps his prejudices to himself, and describes the city with great affection.

Barcelona is peculiar because its great buildings were constructed in the 14th century and again in the 19th, but there is hardly anything in between. Hughes deserves all our sympathy for having to unravel and explain Catalan history between 1600 and 1800, but he does so with patience and skill.

Although he is best-known as an art critic, Hughes charts the rise of the Catalan national identity through poetry and tours in the countryside and music. The section where he explains the importance of Wagner in late 19th-century Barcelona will be the last word on the matter.

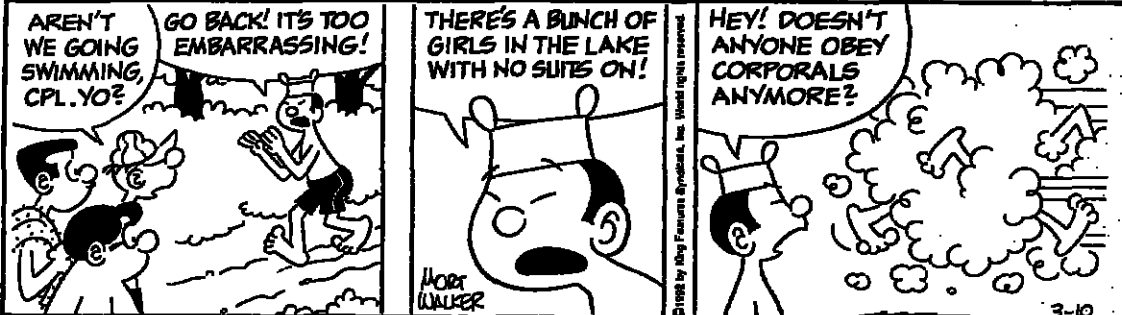
It is a pity that the book ends with the death of Gaudi in 1926 and does not deal in detail with Picasso's life in the city. Hughes will have to write a second volume. In this book he refers to John Richardson's volume of Picasso's early years as "magisterial." His own book is too loosely written, too readable perhaps, to be magisterial, but is a superb achievement and a great pleasure to read.

Colm Toibin, whose book "Homage to Barcelona" is forthcoming, wrote this for The Washington Post.

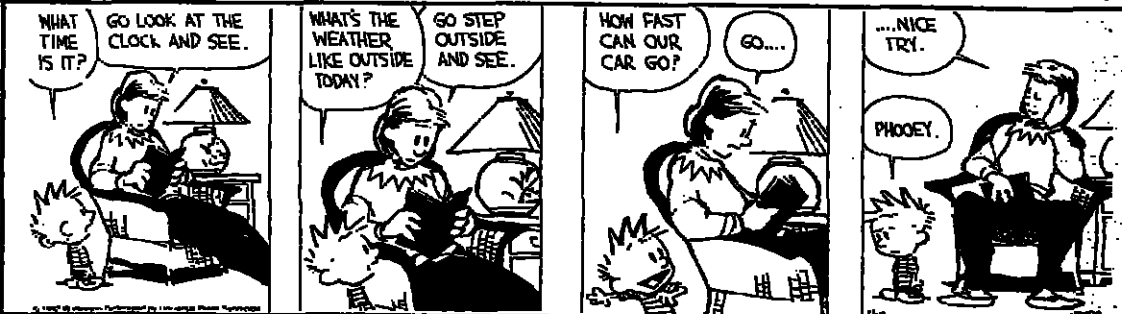
### PEANUTS



### BEEBLE BAILEY



### CALVIN AND HOBBES



### WIZARD OF ID



### REX MORGAN



### GARFIELD

